FINANCIAL TIMES

WEDNESDAY 17 MAY 2023

USA $2.50 Canada C$3.00

Blame the masses for the rise of populism
JANAN GANESH, PAGE 19

Europe's great project for a digital currency
BIG READ, PAGE 17

Opioids crisis
Oxford erases Sackler name

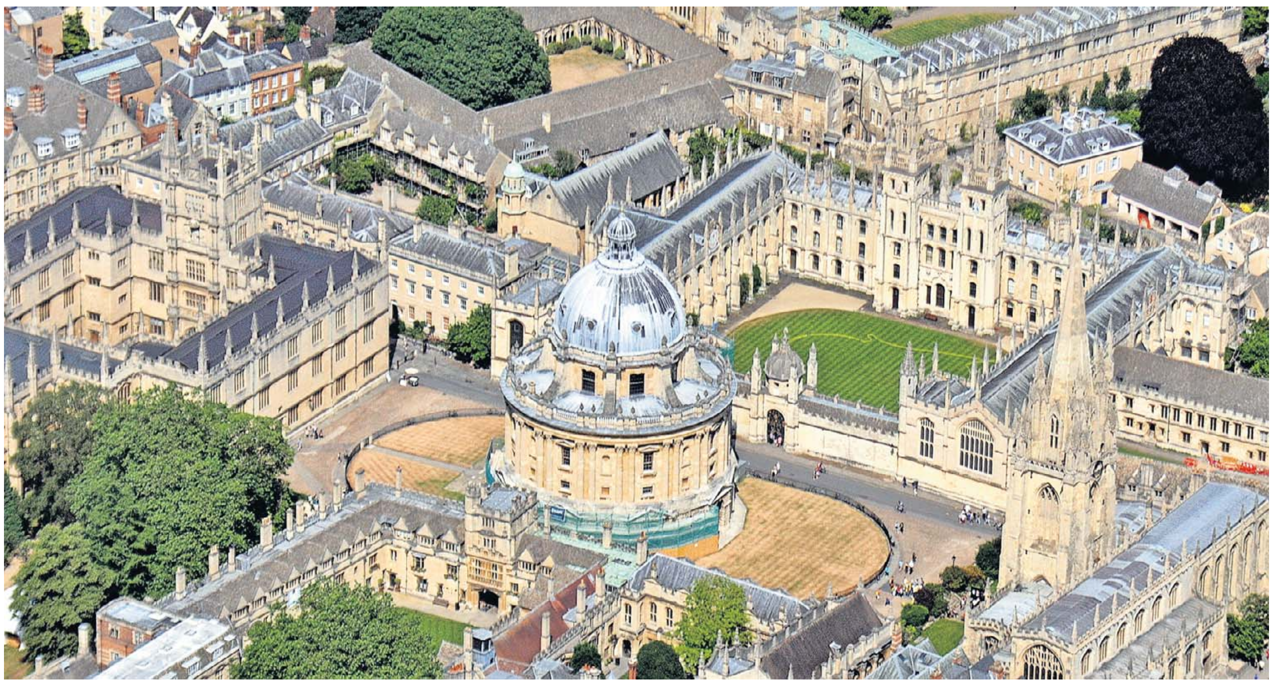
Oxford university has joined the ranks of other prestigious institutions such as the Louvre Museum in Paris and the British Museum in London by cutting ties with the Sackler family over their role in the deadly US opioids crisis.

The university said yesterday it had ended its relationship with the billionaire owners of Purdue Pharma by removing the Sackler name from buildings, spaces and staff positions, after a Financial Times investigation led academics and students to call for reform.

For years, Purdue aggressively marketed OxyContin, its prescription painkiller, while netting tens of billions of dollars in revenue. More than half a million people are estimated to have died from the highly addictive drug.

The university said donations already received from the family would be kept for "intended educational purposes".

Building names dropped page 3



Gurinder Punn/Alamy Stock Photo

Briefing

▸ Vodafone to cull 11,000 jobs in search of renewal
Vodafone plans to axe 11,000 jobs as the telecoms group's new chief warned that it "must change" to end a spell of poor performance in Germany, which is its largest market.— PAGE 6; LEX, PAGE 15

▸ Beijing data sparks doubt
China's industrial output and consumer spending have missed expectations, fuelling doubts over the country's rebound after the end of zero-Covid.— PAGE 2

▸ Paris acts over tax fraud
French authorities are seeking to recoup €2.5bn in back taxes from banks over their alleged use of a scheme to avoid taxes linked to dividend payments.— PAGE 8

▸ US bank chiefs quizzed
Lawmakers have grilled officials at lenders whose collapse led to a banking crisis, with one senator saying they had prioritised profits over customers' deposits.— PAGE 4

▸ Japanese stocks surge
Tokyo's broad Topix index has hit a 33-year high, fuelled by hopes of better governance standards and more regard for shareholders after lacklustre returns.— PAGE 10

▸ Crossword and Lex
The Lex column and the FT crossword can be found inside today.— PAGE 15

Datawatch

EU membership
How people would vote in a referendum (%)

Survey of 1,000-2,000 per country, Apr 2023
Source: YouGov/Eurotrack

Support in Spain for EU membership is strong. Nearly three-quarters of people surveyed in April would vote to remain if a referendum were held today; only 13 per cent would vote to leave. Support in France is even lower than it is in Britain.

ChatGPT boss sees AI manipulation of US elections as 'significant' concern

• Altman welcomes regulation • Senate hearing amid growing fears • Lawmakers examine tighter rules

CRISTINA CRIDDLE — LONDON

OpenAI's chief executive Sam Altman has told US lawmakers that the potential for artificial intelligence to "manipulate" US presidential elections next year is a "significant" concern.

Altman, whose company created AI chatbot ChatGPT, also welcomed the regulation of AI, saying independent audits and warnings similar to nutritional labels on food was a "great idea".

Asked during a Senate hearing yesterday about AI's ability to influence public opinion in the US election, he said: "The more general ability of these models to manipulate, to persuade, to provide sort of one-on-one interactive disinformation . . . given that we're going to face an election next year and these models are getting better: I think this is a significant area of concern."

In a cordial exchange, Altman said that collaboration was needed between industry and lawmakers to craft effective rules. "I think if this technology goes wrong, it can go quite wrong. And we want to be vocal about that. We want to work with the government to prevent that from happening."

The hearing comes as regulators and governments around the world examine the fast-developing technology amid growing fears over its potential abuses.

> 'These models are getting better. I think this is a significant area of concern'
> Sam Altman, OpenAI chief

Last week, EU lawmakers agreed to a tough set of rules on the use of AI, including restrictions on chatbots such as ChatGPT. Both the US Federal Trade Commission and the UK competition watchdog fired warning shots at the industry this month.

Altman urged lawmakers to create "guidelines about what's expected in terms of disclosure" for companies that offer the technology but said that he thought the general public would quickly understand its power.

"When Photoshop came on to the scene a long time ago, for a while people were really quite fooled by Photoshopped images and then pretty quickly developed an understanding that images might be Photoshopped. This will be like that, but on steroids," he said.

During yesterday's hearing, Richard Blumenthal, the Democratic senator who chairs the privacy subcommittee, suggested putting limitations on use "where the risk of AI is so extreme that we ought to impose restrictions, or even ban their use, especially when it comes to commercial invasions of privacy for profit, and decisions that affect people's livelihoods".

Altman acknowledged that technology such as GPT-4, the language model behind ChatGPT, would "entirely automate away some jobs" but argued that it would create new ones that OpenAI believed would be "much better".

Blumenthal said that his "biggest nightmare" relating to the emerging technology was "the looming new industrial revolution, the displacement of millions of workers [and] the loss of huge numbers of jobs".

He made reference to the failure to act quickly to regulate social media and a desire to "not repeat our past mistakes".

The rapid development of generative AI, which can produce convincing humanlike writing, has raised alarm among some AI ethicists.

Twitter chief Elon Musk and more than 1,000 tech researchers and executives signed a letter in March calling for a six-month break on training AI language models more powerful than GPT-4, while AI pioneer Geoffrey Hinton warned this month that the technology could be used by bad actors.

Thailand's would-be leader faces tough path to power

The Harvard-educated leader of Thailand's Move Forward party, whose win in elections represents a rejection of military dominance and an endorsement of change, still faces big obstacles. Pita Limjaroenrat, 42, has to persuade opposition groups to form a coalition while avoiding intervention by the military-royalist old guard. The head of a Bangkok-based think-tank says: 'The conservative establishment is not going to be pleased.'

Military's grip challenged ▸ PAGE 4

EU urged to halt imports of refined fuel from India if made by using Russian oil

HENRY FOY — TOKYO
DAVID SHEPPARD AND TOM WILSON — LONDON

The EU should crack down on India's reselling of Russian oil as refined fuels including diesel into Europe, the bloc's chief diplomat has said, as western nations move to tighten sanctions on Moscow's energy sector.

Josep Borrell, the EU's high representative for foreign policy, told the Financial Times that Brussels was aware that Indian refiners were buying large volumes of Russian crude oil before processing it into fuels for sale in Europe, saying for the first time the EU should act to stop it.

"If diesel or gasoline is entering Europe . . . coming from India and being produced with Russian oil, that is certainly a circumvention of sanctions and member states have to take measures," Borrell said.

India has become one of the biggest buyers of Russian crude oil since Moscow's full-scale invasion of Ukraine, with its refiners earning large margins by buying heavily discounted crude that is largely barred from the EU, before selling full-priced fuels into Europe.

The trade is legal under EU sanctions but has been criticised by those who want to see harsher sanctions imposed on Russia. They argue that it has allowed Moscow to keep earning big revenues from its oil sales — the biggest component in the Kremlin's budget.

According to the International Energy Agency, Russia exported more oil in April than in any month since the invasion, with almost 80 per cent of crude shipments flowing to China and India.

Russian oil exports edged up by another 50,000 barrels a day in April to a post-invasion high of 8.3mn b/d, far exceeding the 7.7mn b/d and 7.5mn b/d that it averaged in 2022 and 2021 respectively. The rise in shipments reflects Moscow's success in finding new buyers for its oil since Europe blocked imports and new vessels to transport the cargoes to those markets.

Borrell accepted that the G7 price cap, which aims to limit Russian crude oil sales to other countries to $60 a barrel, had helped cut Moscow's revenues.

He said it was understandable that India should take advantage of cheaper crude. But he added: "If they use that in order to be a centre where Russian oil is being refined and by-products are being sold to us . . . we have to act."

EU and US co-ordinate efforts page 3
Letters page 18
Alexandra Prokopenko page 19

World Markets

STOCK MARKETS

	May 16	Prev	%chg
S&P 500	4126.13	4136.28	-0.25
Nasdaq Composite	12398.79	12365.21	0.27
Dow Jones Ind	33138.46	33348.60	-0.63
FTSEurofirst 300	1839.35	1846.70	-0.40
Euro Stoxx 50	4317.61	4316.41	0.03
FTSE 100	7751.08	7777.70	-0.34
FTSE All-Share	4224.76	4236.96	-0.29
CAC 40	7406.01	7418.21	-0.16
Xetra Dax	15897.93	15917.24	-0.12
Nikkei	29842.99	29626.34	0.73
Hang Seng	19978.25	19971.13	0.04
MSCI World $	2819.47	2809.35	0.36
MSCI EM $	977.48	973.00	0.46
MSCI ACWI $	651.63	649.22	0.37
FT Wilshire 2500	5345.66	5323.22	0.42
FT Wilshire 5000	41670.04	41490.30	0.43

CURRENCIES

Pair	May 16	Prev	Pair	May 16	Prev
$/€	1.087	1.087	€/$	0.920	0.920
$/£	1.250	1.251	£/$	0.800	0.799
£/€	0.870	0.869	€/£	1.150	1.151
¥/$	136.505	136.145	¥/€	148.333	147.929
¥/£	170.576	170.318	£ index	80.171	79.964
SFr/€	0.974	0.973	SFr/£	1.120	1.120

CRYPTO

	May 16	Prev	%chg
Bitcoin ($)	27017.30	27168.96	-0.56
Ethereum	1818.50	1816.51	0.11

COMMODITIES

	May 16	Prev	%chg
Oil WTI $	70.97	71.11	-0.20
Oil Brent $	75.02	75.23	-0.28
Gold $	2019.90	2019.90	0.00

GOVERNMENT BONDS

Yield (%)	May 16	Prev	Chg
US 2 yr	4.08	4.00	0.08
US 10 yr	3.56	3.50	0.06
US 30 yr	3.89	3.83	0.06
UK 2 yr	3.80	3.82	-0.02
UK 10 yr	3.96	3.95	0.01
UK 30 yr	4.22	4.20	0.01
JPN 2 yr	-0.06	-0.06	-0.01
JPN 10 yr	0.39	0.40	-0.01
JPN 30 yr	1.24	1.26	-0.02
GER 2 yr	2.64	2.59	0.04
GER 10 yr	2.35	2.31	0.04
GER 30 yr	2.55	2.51	0.04

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INTERNATIONAL

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China factory data casts pall over recovery

Statistics add to growing sense post-Covid rebound not as strong as hoped

THOMAS HALE — SHANGHAI
HUDSON LOCKETT AND ANDY LIN
HONG KONG

China's industrial output and consumer spending have fallen short of expectations, fuelling doubts over the strength of the country's rebound after it dismantled its zero-Covid policy.

Youth unemployment hit a record while a key measure of investment also came in behind estimates, casting a shadow over the outlook for the world's second-largest economy.

Industrial production added 5.6 per cent last month from a year earlier, well below forecasts of a 10.6 per cent rise. Retail sales expanded 18.4 per cent year on year, also missing forecasts. The high rates of growth partly reflect a contrast with lockdowns last year in Shanghai, the country's biggest city.

Yesterday's data adds to a growing unease that the economy has failed to fully recover after strict anti-Covid curbs ended late last year, with a lingering property crisis and concerns over trade activity also clouding the outlook.

"China's activity indicators missed expectations by a wide margin even with a favourable base," Xiangrong Yu, chief China economist at Citi, said. "With China out of the sweet spot of reopening, hope of further sentiment repair could be diminishing in the absence of decisive government actions."

An official reading on property investment revealed a decline of 6.2 per cent for the year to date, worse than analysts' expectations of a 5.7 per cent fall.

The mixed recovery, which included weaker than expected fixed-asset investment growth of 4.7 per cent in the four months to the end of April, has also shown signs of feeding through into metals markets. Nickel futures in Shanghai fell more than 2 per cent yesterday, bringing them 28 per cent lower for the year to date. Dimming expectations for growth in the second quarter have also weighed on iron ore futures traded in Dalian, which are down 16 per cent this year, while copper prices last week hit their lowest level in months.

> 'Everyone was expecting a slightly quicker reopening and it hasn't happened the way some were anticipating'

"Everyone was certainly expecting a slightly quicker China reopening and maybe it hasn't happened the way some of us were anticipating," said Matthew Chamberlain, chief executive of the London Metal Exchange, at a meeting in Hong Kong yesterday. "Then there have clearly been a number of negative geopolitical and macroeconomic factors that have weighed on metals."

Youth unemployment hit 20.4 per cent, surpassing a previous high of 19.9 per cent last summer. By contrast, the overall urban joblessness rate fell to 5.2 per cent as the labour market tightened.

China's benchmark CSI 300 stock index was little changed, down 0.2 per cent yesterday.

Julian Evans-Pritchard of Capital Economics suggested the reopening recovery "still has legs left", pointing to a 19 per cent rise in retail and catering sales during a national holiday this month.

But he added the recovery was "likely to fizzle out during the second half of the year" on an unwinding of fiscal support, stalling credit growth, a weaker housing market and the impact of global demand on Chinese exports.

China has set a 5 per cent growth target for 2023, the lowest in decades, after missing a 5.5 per cent target last year.

Additional reporting by Joe Leahy in Beijing and William Langley in Hong Kong

Tax credits

Paris stresses environment in measures to boost industry

SARAH WHITE — PARIS

France is launching a package of green measures and tax credits aimed at attracting billions of euros in investment and boosting its industry, including tying subsidies for electric cars to environmental restrictions that would favour European manufacturers.

The drive led by Emmanuel Macron, president, is in part a move to counter the US's $369bn green stimulus package, which has raised fears in Europe of an exodus of companies.

Macron is also making a broader push to try to boost manufacturing jobs, an area where France lags behind neighbours such as Germany, and to raise the industry's contribution to economic output from 10 to 15 per cent.

The president had argued the EU should introduce "Buy European" legislation similar to parts of the US's Inflation Reduction Act that would favour European-made components and products. But the idea failed to gain support in Brussels or among other EU members who are more sceptical of protectionist policies.

Instead, the EU this year opted to relax state aid rules on subsidies, allowing countries to offer incentives more readily, and took other steps to boost the region's green industries.

That paved the way for France to act on a national level. The government yesterday presented a draft law that includes the electric vehicle subsidy tweaks and new tax credits that companies making renewable energy equipment, heat pumps and batteries could request to cover between 20 and 45 per cent of their capital expenditure. These would kick in from next year, with the government expected to hand out €500mn a year under the scheme.

Along with measures to speed up procedures around setting up factories, France estimated it could unlock an extra €23bn of green investment by 2030 and create 40,000 extra jobs.

"We have no reason to be embarrassed by comparisons with the United States," said Bruno Le Maire, finance minister, adding that the aid on offer was comparable with that across the EU.

On electric cars, the law would effectively disadvantage some non-European manufacturers. Incentives worth between €5,000 and €7,000 for new electric vehicles would exclude those deemed to have been assembled in a less environmentally friendly way, including in factories powered by coal, and could kick in this year. "These measures will lead us to reserve that bonus to cars made in Europe," Le Maire said.

A government official said the measures were allowed under EU rules as they did not amount to blocking imports. But it remains to be seen if the plans will spark criticism from foreign carmakers or affected countries.

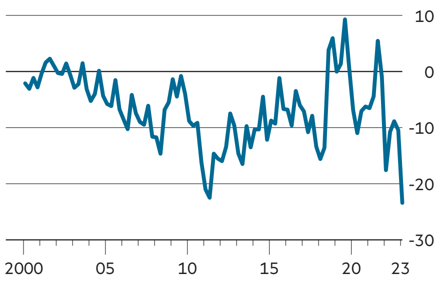
European car manufacturers have been increasingly concerned by the competition posed by the influx of cheaper Chinese-made electric vehicles, and at the same time are racing to boost their own local supply chains, including by producing batteries.

France is offering subsidies for battery start-ups such as Taiwan's ProLogium, while China's Envision is also setting up a plant in the country.

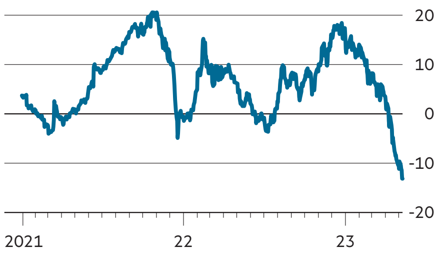
Turkey. Currency pressures

Face to face: posters of Recep Tayyip Erdoğan dominate a street in Istanbul on Monday — Murad Sezer/Reuters

Turkey's current account deficit swells
Current account balance (quarterly, $bn)



Key proxy for Turkey's foreign currency reserves slides
Net foreign assets ($bn)



Sources: Central Bank of the Republic of Turkey; FT calculations

Erdoğan run-off win likely to trigger lira sell- off

Assets hit after poll suggests victory for incumbent would prolong unorthodox approach

ADAM SAMSON — ANKARA

Recep Tayyip Erdoğan's strong showing in Sunday's election has prompted rating agencies to warn of a fresh lira selloff if the Turkish president continues his "unsustainable" economic policies.

Turkish assets have sustained a blow after Erdoğan beat Kemal Kılıçdaroğlu, his rival in the first round vote, heightening his chances of prevailing in a May 28 run-off. The cost to insure Turkey's debt against default has jumped over the past two days, with the "spread" on five-year credit default swaps rising to 646 basis points from 506bp on Friday.

The selling in Turkish assets came as investors reversed bets that Kılıçdaroğlu, who led in pre-election polls, would bring Turkey back to a conventional economic policy, undoing a patchwork of programmes put in place under Erdoğan's leadership.

Concerns are mounting of more pain if Erdoğan secures a new mandate and presses on with unorthodox policies, including his insistence on maintaining low interest rates to cure inflation running at more than 40 per cent.

"Another term for President Erdoğan would likely imply a continuation of the current unorthodox and unsustainable policies and macroprudential measures with a heightened risk of persistent very high inflation and severe currency pressures," said Moody's Investors Service, the credit rating agency.

Erdogan's government has deployed unconventional measures to stabilise the $900bn economy, including tight controls of companies' transfers of foreign currency and the 2021 launch of special savings accounts to protect depositors from lira fluctuations. These tools have slowed the lira's fall, although the currency is still trading near a record low at TL19.67 to the dollar.

But many analysts say the lira remains overvalued, in part because of these measures and a prolonged effort by the central bank to prop it up. The lira has fallen about 60 per cent against the dollar over the past two years.

> 'Such a sizeable deficit, mostly financed via a drawdown in reserves, is unsustainable'

Turkey's large current account deficit, which hit a record $24bn in the first quarter of this year, was also a "big issue", said Erich Arispe, a senior director at Fitch Ratings, another credit rating agency. Arispe said Turkey would need to "find . . . billions of dollars" to finance the yawning deficit, something that may be achieved in part by continuing to tap into its dwindling stock of foreign currency reserves.

Net foreign assets, a proxy for the size of Turkey's foreign currency war chest, have declined to minus $13bn from $1.4bn a year ago, according to central bank data collated by the Financial Times.

Those figures include billions of dollars borrowed from the domestic banking system through short-term lending tools known as swaps.

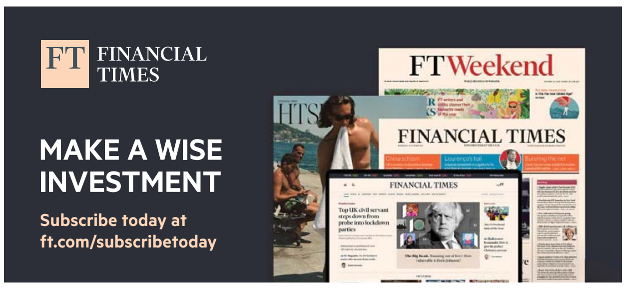
Arispe said pressure on international reserves had been "significant in recent weeks" as the government took a pro-growth approach ahead of Sunday's elections.

HSBC also indicated on Monday that Turkey's current account deficit was one of its main "vulnerabilities". The bank said April trade data suggested there was "no sign an improvement is under way in the near term".

"Such a sizeable deficit, mostly financed via [a drawdown in reserves], is unsustainable and should be reflected via a weaker lira," HSBC said in a note to clients. The bank said it expected the lira to tumble to 24 to the dollar by year-end, marking a 18 per cent decline from current levels. However, it said it also cannot rule out a deeper slide to 27.

Ercan Erguzel a Barclays analyst, expected the current account deficit to hit about $40bn in the next 12 months. Turkey would need about $30bn to finance it when excluding funds coming from unknown sources, known as "errors and omissions".

"Turkey may use its gold reserves ($15bn) and get additional help from friendly countries ($15bn). However, it looks a very delicate balance to us," Erguzel added.



Climate legislation

Brussels' green agenda delayed as political resistance spreads

SAM FLEMING, ALICE HANCOCK AND ANDY BOUNDS — BRUSSELS

The EU is being forced to delay parts of its green agenda as it confronts political headwinds ahead of European elections in June next year.

Ursula von der Leyen, European Commission president, said the bloc needed to assess its capacity to absorb the large number of new laws in the pipeline, including on climate change.

However, she insisted it had made "amazing progress" with its Green Deal legislation, which includes dozens of proposals covering all aspects of the economy and is designed to push the EU to reach net zero greenhouse gas emissions by 2050.

Von der Leyen was speaking after French president Emmanuel Macron called during a speech in Paris last week for a "regulatory break" on EU green law to allow industry to digest the large quantity of regulation recently passed.

With European elections looming in early June 2024, EU legislators are facing increasingly difficult political terrain and time constraints as they seek to enact far-reaching rules aimed at addressing climate change and protecting Europe's natural environment.

The conservative European People's party, the largest in the European parliament, has in recent weeks rejected initiatives on rewilding degraded land and seabeds and cutting pesticide use as it responds to a backlash from farmers.

Manfred Weber, the group's leader, said he welcomed von der Leyen's decision "to reflect on the scope and speed of this process. If climate wins and the rest of society loses we will not achieve net zero."

A spate of proposals by Brussels, such as on methane emissions and packaging waste, have yet to be approved by the parliament and member states.

Several of the proposals, including efforts to make the EU's buildings climate neutral and phase out the internal combustion engine, have sparked heated debate among the bloc's 27 members. Citing the buildings directive in March, Italy's premier, Giorgia Meloni, said the EU's growing environmental push risked "damaging our economic fabric".

Other proposals concerning microplastics and improving soil quality that have yet to be publicly announced by the commission are likely to be delayed when Brussels updates its policy agenda this month, according to three people with knowledge of the plans.

One EU official said some of the potential hold-ups were because of the complexity of the regulations, which would govern technical areas of climate law such as nitrogen and phosphorus cycles.

Brussels said work on the Green Deal law was "ongoing" and it was up to the parliament and states to "continue" it.

Farmers in particular have argued the measures would reduce crop yields and incomes. Industries have also resisted the level of compliance required, saying they were becoming uncompetitive in the global market.

Ursula von der Leyen: says EU needs time to absorb many new laws

"We call it the tsunami of legislative proposals because that is how it feels," said Malte Lohan, director-general of Orgalim, the European manufacturing sector trade body. "What the commission has done . . . has not helped the competitiveness of industry."

However, some commissioners and political parties are resisting the pressure to pare back the agenda.

Pascal Canfin, a French liberal who chairs the parliament's environment committee, said the capacity to absorb legislation was not in question, but the "political will" to push it through was. The EPP, von der Leyen's own political group, was "being radicalised on an anti-Green Deal position", he insisted.

Canfin said Macron's supporters had been "very surprised" by his call for a "regulatory break" but that the French president was concerned about financing the climate transition. Mohammed Chahim, a Dutch socialist MEP, said: "We will not support any delays."

Additional reporting by Ian Johnston

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Japan seeks G7 unity to counter China economic and military pressures

Hiroshima summit tests advanced nations' ability to respond jointly to challenge from Beijing

KANA INAGAKI, DEMETRI SEVASTOPULO AND HENRY FOY — TOKYO

Tight security: police in central Hiroshima prepare for the G7 summit. Below, Fumio Kishida — Philip Fong/AFP/Getty Images; Masanori Genko/Yomiuri Shimbun

Leaders of the G7 gather in Japan this weekend amid global fears of a US debt default, deepening division over energy policy and no end in sight for the war in Ukraine.

But for Japanese prime minister Fumio Kishida, the top challenge for the annual summit of advanced economies will be whether it can project a unified G7 response to China's military ambitions and its use of "economic coercion", as US Treasury secretary Janet Yellen described it last week.

Since Russia's invasion of Ukraine in February 2022, Kishida has tried to align with G7 counterparts in the US, UK, France, Italy, Germany and Canada by rolling out tough sanctions against Moscow and forging closer ties with the Nato alliance. He has also approved a big increase in Japan's military spending to counter the threat from China.

When he hosts the summit in his family's home city of Hiroshima, Kishida — he has repeatedly warned that "Ukraine might be east Asia tomorrow" — will want similarly strong support from Europe over how the G7 should tackle China and the risk of a conflict over Taiwan.

"It is crucial for the G7 to confirm that any unilateral attempt to change the status quo by force or coercion is unacceptable in any part of the world," Kishida said last month. "I believe this will lead to a unified response by the international community when something similar to Ukraine happens outside of Europe."

The issue has been divisive for the west. French president Emmanuel Macron sparked an international outcry last month when he warned during a trip to China that Europe should not get "caught up in crises that are not ours".

"The G7 rose to the moment in the Ukraine crisis . . . But the Indo-Pacific presents its own challenges in the aftermath of Macron's comments," said Mireya Solís, a Japan expert at the Brookings Institution. "Tokyo would like to see a strong statement that the grouping of democracies stands aligned in the face of the China challenge."

The US is also pushing for as united a front as possible. President Joe Biden's administration has started emphasising that its China policy is focused on "de-risking" and not "decoupling". US officials adopted the phrase from European Commission president Ursula von der Leyen in an effort to reassure G7 allies the US was not pushing for a more draconian approach to Beijing.

A big focus of the Hiroshima summit will be how far the member countries can outline a concerted response to Beijing's raids of foreign companies and detention of corporate executives.

The G7 plans to issue for the first time a separate statement on economic security alongside the main summit communiqué. The statement will include a commitment to "collectively deter, respond to and counter economic coercion", according to documents seen by the Financial Times.

People familiar with the talks say, however, that China will not be named in the statement and the G7 is unlikely to reach an agreement on specific new economic security tools beyond co-operation on supply chains to reduce their reliance on China.

China has said it is "the victim of US economic coercion" rather than a perpetrator, arguing Washington has overstretched the concept of national security and "abused" use of export controls.

"If the G7 summit is to discuss response to economic coercion, perhaps it should first discuss what the US has done," Chinese foreign ministry spokesperson Wang Wenbin said on Friday. "As the G7 host, would Japan express some of those concerns to the US on behalf of the rest of the group who have been bullied by the US? Or at least speak a few words of the truth?"

The US last year introduced sweeping export controls that would severely complicate efforts by Chinese companies to develop cutting-edge technologies with military applications. Washington is now seeking the support of its allies as it finalises a new outbound investment-screening mechanism aimed at China.

"It is possible to reach an agreement that economic security is important, but there is still a large gap between the US, EU and Japan when it comes to rolling out offensive measures such as export controls," said Kazuto Suzuki, professor at the University of Tokyo. In March, Japan unveiled curbs on the export of 23 different kinds of technology as part of a deal reached with the US and the Netherlands, but officials in Tokyo have stressed the measures are not targeted against a single country.

Economic ties to China also make the EU reluctant to follow Washington's hardline approach. European capitals fear a return to a cold war situation, with China in place of the USSR, leaving Europe at best a US satellite and at worst a battleground between the two.

European officials have stressed that the G7 should increase outreach to other countries, particularly developing economies in Asia, Africa and South America. "[Our] purpose is to not transform the G7 into an anti-China club," said a senior EU official involved in G7 preparation.

> 'The G7 rose to the moment in the Ukraine crisis . . . But the Indo-Pacific presents its own challenges'

The G7 has invited the leaders of non-member nations such as India, Indonesia, Brazil and Vietnam to the Hiroshima summit.

"We would like to strengthen G7's outreach to international partners through . . . calls for co-operation in addressing the challenges facing the international community . . . such as energy and food security, climate change, health and development," Yoshimasa Hayashi, Japan's foreign minister, said in a written interview with the FT. "We would like to affirm G7's unity in these regards."

These comments come even as the G7 remains divided on energy policy, including Japan's promotion of ammonia as a low-carbon energy source and Germany's push for G7 endorsement of public investment in the gas sector.

Christopher Johnstone, Japan chair at US think-tank CSIS, said Tokyo was still keen to engage with non-G7 countries because Russia's membership of the G20 had fractured that broader group.

"Tokyo is concerned that has opened the door to expanded Chinese influence across the developing world, where criticism of western hypocrisy finds resonance," Johnstone said.

"Kishida is attempting to mitigate the fact by bringing more voices to the table at the G7."

Economic curbs

US and EU step up efforts to co-ordinate sanctions policies

JAMES POLITI — WASHINGTON

The US and EU are boosting efforts to share information and co-ordinate sanctions policies, in an attempt to make joint western economic and financial punishments more effective against Russia and other countries.

Washington and Brussels were expected yesterday to announce they were "committed to working more closely on sanctions as a key tool to address shared foreign policy goals", according to a prepared statement by the US Treasury seen by the Financial Times.

The announcement comes after a meeting last month in Brussels, in which officials from the Treasury's Office of Foreign Assets Control and the EU's external action service and financial services directorate sought to "align the implementation of sanctions, promote compliance, strengthen enforcement, and address shared foreign policy challenges", the statement said.

The EU and the US have worked together closely to impose and implement sanctions on Russia since its full-blown invasion of Ukraine was launched last year, and are now in a new stage of their crackdown as they try to limit sanctions evasion and the sale of weapons or dual-use technologies to Moscow.

The decision to increase technical co-ordination on sanctions reflects a recognition in Washington and Brussels that they need a better system in place permanently in case they need to deploy similar economic weapons in the future. The US and UK last year moved to bolster their own bilateral co-ordination on sanctions implementation and enforcement, and Brussels has been considering setting up its own version of Ofac.

In a nod to the collateral damage that can be inflicted by western sanctions, the Treasury statement said officials had also been exploring "methods to ensure that sanctions do not prevent humanitarian trade and assistance from reaching those in need and that persons in sanctioned jurisdictions preserve their internet freedom".

It added: "Multilateral implementation maximises effectiveness of sanctions and minimises unintended costs and eases the compliance burden for the general public."

As well as imposing sweeping sanctions on Russia's central bank, top officials, banks, state-owned entities, oligarchs and defence companies, the EU and US also co-ordinated the G7-led cap on the price of Russian oil and have sought to speak with a single voice to press other countries not to help Moscow economically and militarily.

But there have been some splits over how far to go in isolating Russia. While the US was pushing for a full G7 export ban on Russia, European allies along with Japan have resisted, the FT reported last month.

Education

Oxford university drops Sackler name from buildings

ANTONIA CUNDY — LONDON

Oxford university has ended its relationship with the Sacklers after a Financial Times investigation into its continued ties with the wealthy family led academics and students to call for sweeping reforms.

The decision to cut social ties and remove the Sackler name from buildings, spaces and staff positions comes at the end of a review instigated by new vice-chancellor Irene Tracey, a professor of anaesthetic neuroscience.

Most other prominent arts and academic institutions severed relationships with the billionaire owners of Purdue Pharma between 2019 and 2022, after a public outcry over their role in the deadly US opioids crisis, which is estimated to have claimed more than half a million lives.

For years, Purdue aggressively marketed OxyContin, its prescription painkiller, downplaying its addictive qualities while netting tens of billions of dollars in revenue.

Institutions such as the Louvre Museum in Paris and the National Portrait Gallery in London turned down donations or removed the Sackler name from buildings in 2019. London's Victoria and Albert Museum, the British Museum, the National Gallery and the Tate gallery group did so in 2022.

Oxford came under pressure for bucking this trend when the FT revealed it had continued to court the Sacklers over the past two years, extending exclusive event invitations and accepting donations even as members of the family who own Purdue negotiated a multibillion-dollar bankruptcy settlement over their role in the epidemic.

When asked by the FT whether social ties had been included in the review's outcomes, not detailed in Monday's public announcement, the university confirmed that "the Sackler Family has agreed to forego its membership of the Chancellor's Court of Benefactors and will therefore no longer be invited to events".

The FT's investigation exposed how in April last year, Theresa Sackler, third wife of the late Mortimer Sackler, the former chief executive and co-owner of Purdue, was an "external attendee" at a private viewing of the annual Oxford and Cambridge boat race. She was invited as a member of the Chancellor's Court of Benefactors, a prestigious group with the highest level of access to the chancellor, vice-chancellor and other senior university figures.

Oxford said the Sackler name would be removed from iconic buildings such as the Ashmolean Museum and Bodleian Libraries, and several research positions at the Ashmolean, which the FT's investigation revealed had received funding as recently as June 2021.

Corruption clampdown

Ukraine Supreme Court chief justice held in bribery probe

ROMAN OLEARCHYK — KYIV

Ukrainian authorities have detained the Supreme Court chief justice for allegedly having taken bribes from an oligarch, as Kyiv steps up its anti-corruption efforts.

Vsevolod Kniaziev was accused of receiving a bribe worth $2.7mn, anti-graft prosecutors said, adding that the money was a "reward" for a ruling made "in favour of the owner of the Finance and Credit group" controlled by mining tycoon Kostyantyn Zhevago.

The case marks the latest in a series of probes targeting the country's oligarchs, as Ukrainian officials have vowed to further crack down on corruption, a condition for continued western financial and military support, as well as integration into the EU and Nato military alliance.

"The head of the Supreme Court has been detained and measures are being taken to check other individuals for involvement in the criminal activity," Oleksandr Omelchenko, a prosecutor at the Sapo specialised anti-corruption prosecutor's office, said yesterday.

The Supreme Court removed Kniaziev yesterday, with a new chief justice likely to be voted in soon. "This is a dark day in the history of the court. We must be worthy and withstand such a blow," the court said.

Kniaziev could not be reached for comment.

Details of the case, including photographs of piles of cash on a couch and diagrams of the alleged scheme, were laid out by Sapo jointly with Ukraine's Nabu anti-corruption bureau.

Zhevago has been fighting extradition to Ukraine related to a separate alleged bank fraud. His press service denied his involvement in the alleged bribe and rejected claims that the Supreme Court probe relates to a legal battle over assets

Vsevolod Kniaziev: detained on suspicion of taking a bribe worth $2.7mn from an oligarch

of his London-listed iron ore producer, Ferrexpo, Ukrainian media reported.

Zhevago has not yet commented.

It was not clear how the incident would affect the court, which was reformed before Volodymyr Zelenskyy became president in 2019. His administration has yet to fully reboot the tainted constitutional court, with which he clashed before Russia's invasion.

For decades, Ukraine's oligarchs used their influence to corrupt state institutions and bolster their businesses. But their influence has been weakened by anti-corruption measures and damage to their interests by Russia's war.

Additional reporting by Sam Jones

Night raid

Kyiv hails air defences after Russian missiles shot down

ROMAN OLEARCHYK — KYIV
MAX SEDDON — RIGA

Ukraine said it repelled an unprecedented Russian missile barrage over Kyiv early yesterday and denied Moscow's assertion that it had destroyed a US-made Patriot system.

General Valeriy Zaluzhnyi, Ukraine's armed forces chief, said all 18 projectiles, including six hypersonic Kinzhal and nine Kalibr cruise missiles, had been shot down overnight.

Serhiy Popko, head of Kyiv's military administration, said the barrage was "exceptional in its density — the maximum number of attack missiles in the shortest period of time".

Igor Konashenkov, Russia's defence ministry spokesman, said one Kinzhal had struck a Patriot battery in Kyiv and suggested the attack was aimed at Ukraine's recently received defence systems. Russia also said it had shot down seven UK-supplied Storm Shadow long-range missiles.

Yuriy Sak, an adviser to Ukraine's defence minister, said Russia's claims were "pure propaganda and pure lies".

Kyiv said this month that one of two Patriot units had downed a Russian Kinzhal, displaying a capacity Ukraine had previously not possessed.

The strikes came hours after President Volodymyr Zelenskyy returned from a three-day trip to the UK, Germany, France and Italy, which pledged additional weaponry, including air defence systems ahead of a counter-offensive. "The main results of these days are new weapons for Ukraine," he said in a video address late on Monday. "Our victory has been brought closer."

Ukraine's armed forces have yet to launch a campaign aimed at liberating more of eastern and southern regions where Russia occupies nearly a fifth of state territory. Zelenskyy's pleas for additional air defence equipment as well as western fighter jets, materiel not yet supplied, are aimed at providing better cover for ground troops.

The two Patriot units have added another layer to Ukraine's air defences, which were struggling to deal with some of Russia's more advanced missiles, such as the Kinzhal. On top of Ukraine's Soviet-era air defence systems, western allies have supplied Nasam systems and an Iris-T air defence unit, both of which have a more limited range than Patriots.

Separately, Russian media reported yesterday that five guards were wounded in a Ukrainian drone strike on a border control centre in the Kursk region late on Monday. All five were in a stable condition in hospital where they were being treated for shrapnel wounds, according to Baza and Mash, channels on the Telegram social media app with ties to Russian security services.

Russia's economic war see Opinion

INTERNATIONAL

Public hearings

Bosses at failed US lenders accused of greed

Lawmakers grill leaders of Signature and SVB as well as regulators

JOSHUA FRANKLIN — NEW YORK
COLBY SMITH — AMELIA ISLAND, FLORIDA

Top executives from Silicon Valley Bank and Signature Bank were grilled by US lawmakers yesterday after the lenders' failures triggered a US regional banking crisis, with a senior US senator accusing them of prioritising profits over the safety of their customers' deposits.

"Why did you let things get this bad? Why did you ignore admonitions from regulators?" said Sherrod Brown, the Democratic chair of the Senate banking committee. "There is a simple answer, the same answer we find to most questions about big banks' failures: because the executives were getting rich."

Senators spoke at a hearing convened to examine the failures of SVB and Signature in early March, which shook confidence in US regional lenders and led to the collapse of First Republic last month. A separate hearing in the House addressed the oversight of US bank regulators.

Seated as Senate witnesses were Greg Becker, SVB's former chief executive, as well as Scott Shay, former chair at Signature Bank, and Eric Howell, Signature's former president. "We took risk management seriously," said Becker, who was making his first public appearance since the collapse of SVB.

In his written testimony released on Monday, Becker blamed an "unprecedented" run on deposits fuelled by "rumours and misconceptions" for the collapse of the lender.

Senator Tim Scott of South Carolina, the top Republican on the banking committee, said it was "hard to believe" Becker's defence that the bank took risk management seriously.

The root cause of California-based SVB's eventual failure was its decision to invest a rush of deposits from tech companies and venture capital firms in a securities portfolio consisting mostly of long-dated US debt and mortgage bonds. These investments fell in value when the Federal Reserve started to raise interest rates last year.

The decision to sell a chunk of its securities at a $1.8bn loss based on what Becker claimed was advice from Goldman spooked investors and depositors, triggering a bank run and leaving SVB struggling to raise fresh capital.

New York-based Signature was seized by regulators days after SVB was shuttered. The bank had more than doubled its deposits by 2022 by being one of the few banks to accept funds from clients involved in cryptocurrencies.

In a separate hearing yesterday, House Republicans criticised regulators and the Biden administration for threatening the health of the financial system by readying new rules and restrictions for lenders already under stress.

In opening remarks, Patrick McHenry, chair of the House financial services committee, blamed the Fed for being too slow to react to soaring inflation, causing them to rapidly raise interest rates over the past year, which he said "injected heightened interest rate risks into the financial system".

McHenry lambasted Michael Barr, the Fed's vice-chair for supervision, for his support of greater regulatory and supervisory scrutiny of midsized banks. Those changes would gut the banking system, McHenry said.

South-east Asia. General election

Thailand poll victor challenges military's grip

Harvard-educated leader of progressive party 'ready to be PM' but faces many hurdles

ELI MEIXLER — HONG KONG

If Pita Limjaroenrat was daunted by the sudden possibility of taking the helm of south-east Asia's second-largest economy, the untested Thai opposition politician was certainly not showing it.

"I'm ready to be the next prime minister," Pita, 42, declared on Monday, 12 hours after preliminary results showed his Move Forward party had scored a sweeping victory in the general election.

But while Move Forward's success created a powerful platform to try to oust the military-backed government, many obstacles still lie in his path.

The party will have to persuade more established opposition groups to cooperate in a coalition, despite its radical reform agenda, while also avoiding any intervention by the deeply conservative military-royalist establishment.

The results "were a resounding verdict against military dominance and an unmistakable endorsement of change", said Thitinan Pongsudhirak, director of the Institute of Security and International Studies at Chulalongkorn University in Bangkok. "The conservative establishment is not going to be pleased."

The rise of Move Forward, which won 151 of 500 seats in the lower house, based on the Election Commission's preliminary results, represents a decisive break in Thailand's modern politics.

The party, which has taken up the mantle of a 2020 pro-democracy protest movement, rode the support of young and urban voters distrustful of the establishment and disaffected by a cycle of coups, unrest and crackdowns.

The party "opened a new frontier of Thai politics by focusing not just on populist policies to cater to the poor, but also on structural reforms to the military, the monarchy and the economy", Thitinan added. "Move Forward said, 'We want to have a different kind of Thailand, a reformed, progressive kind', and yesterday the people said 'yes'."

The victory marked the steep ascent of Pita, who was educated at Harvard and the Massachusetts Institute of Technology and took over his family's agri-food business aged 25. He later worked as executive director at Grab, the Singapore-based rides and delivery superapp.

Pita also comes from a political background: his father was an adviser to the agriculture ministry, while his uncle was an aide to Thaksin Shinawatra, the telecoms magnate and populist former premier, unseated in a coup in 2006.

Seeking high office: Pita Limjaroenrat in buoyant mood as he arrives for a press conference in Bangkok after the election
Sirachai Arunrugstichai/Getty

In Bangkok, the capital, Move Forward won 31 of 32 seats and fell short in its lost seat by four votes, based on early results. The rival Pheu Thai party, the leading opposition for the last two decades, came second with 141 seats.

Before the election, Pheu Thai and its leader, Paetongtarn Shinawatra, Thaksin's youngest daughter, were seen as having the strongest chance of unseating the military, a calculus analysts said had now changed completely. "Pheu Thai's dominance has been broken," said Napon Jatusripitak at the Singapore-based Iseas-Yusof Ishak Institute. "Not only has it not been able to gain a new generation of voters, it has also failed to retain the older support base within its provincial strongholds."

Move Forward made inroads across the country, including in Pheu Thai's northern heartland cities of Chiang Mai and Chiang Rai, and swept the island of Phuket, an establishment bastion.

"Move Forward's victory shows that relying on patronage-driven local networks is no longer sufficient to guarantee victory," said Ken Mathis Lohatepanont, political analyst University of Michigan.

Parties backing the military-aligned government were routed. The new United Thai Nation party of premier Prayuth Chan-ocha won 36 seats, while the ruling Palang Pracharath party, led by Prayuth's deputy and former army chief Prawit Wongsuwan, took 40.

Prayuth, who has ruled since ousting Thaksin's sister, Yingluck Shinawatra, in a 2014 coup, looks vulnerable. A UTN party official on Monday said Move Forward should "be given a chance to form a government". Move Forward quickly launched talks with Pheu Thai and three smaller parties to form a coalition that would command 309 MPs. Pheu Thai on Monday said it would accept the invitation to join "the new government".

But the proposed alliance would still fall short of the 376 seats needed to secure the premiership. Under the 2017 army-drafted constitution, a 250-member junta-appointed Senate votes alongside the lower house, giving the military a big numerical advantage.

> 'Move Forward's victory shows that relying on patronage-driven local networks is no longer sufficient to guarantee victory'

The opposition is wagering its popular mandate will dissuade the Senate from blocking its choice for premier or will convince other groups such as Bhumjaithai, a regional party that came third, to come on board. Co-operation could be complicated by Move Forward's agenda, which includes reforms such as ending conscription, decentralising power and tackling corruption.

The party has also confronted the biggest taboo by calling for amendments to a *lèse majesté* law that carries a sentence of up to 15 years in prison for insulting the royal family. Insistence on reform could break an opposition coalition, Napon said. Pheu Thai has appeared open to modifying the law, but Bhumjaithai and other parties oppose change.

Pita faces other pitfalls. The constitutional court in 2020 dissolved Move Forward's predecessor party, Future Forward, which had come in third in a general election the year before. It helped spark protests against the monarchy.

"If there is a systematic subversion of the vote . . . then the risk of unrest will mount," Thitinan said.

`"The ball is in the conservative establishment's court now."

Corruption probe

France issues warrant for Lebanon central bank chief's arrest

RAYA JALABI — BEIRUT
LEILA ABBOUD — PARIS

An arrest warrant was issued in Paris yesterday for Lebanon's central bank governor after he failed to appear before French investigators for questioning on corruption and money-laundering allegations.

French prosecutors and an investigating magistrate have been looking into Riad Salameh, his brother Raja and a close associate over allegations they illicitly enriched themselves and laundered hundreds of millions of dollars of public funds for personal gain.

Once hailed for steadying Lebanon's finances through years of instability, central bank chief Salameh, a 30-year Banque du Liban veteran, has been the subject of intensifying scrutiny since Lebanon's financial collapse in 2019, which drove three-quarters of the population into poverty.

Salameh, 72, is under investigation in Lebanon and at least five European countries for alleged financial crimes but still commands support from many of Lebanon's political leaders.

Salameh and his brother have denied the allegations against them. Salameh has insisted his personal wealth stems from his previous job as an investment banker, as well as family inheritance.

A person close to the French investigation said the arrest warrant issued in France would be publicised abroad but was unlikely to be acted on in Lebanon.

Pierre-Olivier Sur, Salameh's French lawyer, called the summons to appear "invalid" because it was sent less than 10 days before the scheduled hearing.

Salameh said in a statement that the arrest warrant was a "violation of laws" and he would appeal against the decision, accusing Aude Buresi, the French investigating judge, of "justice based on double standards".

During the preliminary hearing yesterday, French investigators were to question Salameh to determine whether there was enough evidence to file preliminary charges. The person close to the investigation said they could still file preliminary charges in absentia.

The arrest warrant could complicate Salameh's tenure as governor. His current term ends in July and he has publicly said he plans to step down, despite having no clear plan for his succession. With debate over whether a caretaker government can even appoint his replacement, some Lebanese leaders are privately discussing the possibility of extending Salameh's term.

Last month, a judge in Lebanon lifted a travel ban she imposed on Salameh during her investigation of him. But it was assumed he would not travel to France for fear of being detained there.

European investigators, including from France, have visited Lebanon multiple times this year to question Salameh and dozens of others in connection with the corruption allegations.

The European probes stem from a Swiss investigation launched more than two years ago. Swiss authorities suspect Salameh and his brother Raja of embezzling more than $300mn from the central bank from 2002 to 2015 through an offshore company, according to a letter from the Swiss attorney-general's office requesting legal assistance from Lebanese authorities in November 2020.

Middle East

Egyptian business flags currency uncertainty

HEBA SALEH — CAIRO

Egyptian entrepreneurs have warned that uncertainty over the exchange rate is suffocating business and impeding their ability to plan and invest, as the country endures its worst foreign currency crisis in years.

A series of devaluations since March last year has halved the value of the Egyptian pound against the dollar but failed to boost foreign exchange inflows. A new devaluation is expected, economists and business leaders say. Meanwhile, the dollar shortage has led to a black market in foreign currency.

The crisis began when foreign bond investors pulled about $20bn out of Egyptian debt after Russia's full-scale invasion of Ukraine in a flight to havens.

Gulf states stepped in with $13bn in deposits and another $3.3bn in asset purchases but portfolio investors have mostly stayed away and the private sector has struggled to fund imports.

Adham Nadim, who heads his family's company Nadim Group, which makes furniture for corporate clients, said he was having problems importing crucial inputs. "Everyone gives me speculative prices based on what they think the price of the dollar on the black market will be if I plan to purchase in two months," he said. "It is a bigger problem if the project extends to six or 10 months."

Samih Sawiris, a leading Egyptian tourism and real estate investor, told Saudi Arabia's Al Arabiya television this month that the foreign exchange situation had deterred him from further investments in Egypt.

> 'Everyone gives me speculative prices based on what they think the price of the dollar will be'

Central Bank of Egypt figures this month show imports dropped in the second half of 2022 to $37bn compared with $42bn the year before.

Remittances by Egyptians working abroad, an important source of foreign currency, also declined, from $15.5bn in the second half of 2021 to $12bn in the same period last year. Bankers attribute the drop to people selling their foreign exchange on the black market or holding on to it in the expectation of a devaluation of the pound.

The currency crisis has added to the pressure on a private sector already contending with soaring inflation, which reached 31.5 per cent in April, and a 19 per cent interest rate.

As part of a $3bn loan package agreed with the IMF in October — its fourth since 2016 — Cairo agreed to move to a flexible exchange rate regime and reduce the footprint of the state in the economy. The fund said recently Egypt was "serious" about making the change.

Economists say the central bank wants to build a foreign currency buffer before moving to a flexible exchange rate. In February, the government unveiled a list of 32 state-owned companies it planned to open to private sector participation by selling mainly minority stakes. Oil-rich Gulf states are the main target market for the privatisations. But the programme remains stalled amid reported differences over the exchange rate to be used to value Egyptian assets.

Legislation challenge

Brazil Speaker vows to halt 'backward' reform

MICHAEL POOLER AND MICHAEL STOTT
NEW YORK

Brazil's lower house Speaker has pledged to stop Luiz Inácio Lula da Silva taking "backward steps" on economic reform, in a challenge to the president's push to overhaul business-friendly laws.

Lula, the veteran leftist leader who began his third term this year, has stirred unease among investors after seeking to roll back legislation on labour rights and the privatisation of water and sewerage services.

But Arthur Lira, a conservative federal deputy who as Speaker of the lower house is an influential figure in Brasília, insisted lawmakers would defend measures designed to give more dynamism to Latin America's largest economy.

"The chamber [of deputies] is one of conservative, reformist and liberal congressmen," he said at an FT Live conference in New York. "They will look after the legacy of reforms which were carried out and others which will be put forward. I have expressed what the majority of the chamber thinks, which is not to vote for backwards steps on reforms."

The remarks are a shot across the bow of the Lula administration, which does not command a majority in congress and must rely on the Lira-led centre-right bloc to pass bills. Lula's vision for the state has unnerved big business, which fears a rerun of past interventions by leftwing governments. Brazil's last Workers' party-led administration ended in impeachment for Lula's successor, Dilma Rousseff, and a recession.

Lula, the 77-year-old former trade unionist who ruled from 2003 to 2010, has attacked its central bank over high interest rates and called the institution's independence into question. Ministers also want to tweak a 2017 law that loosened employment protection rules.

Arthur Lira: as Speaker of the lower house he is an influential figure

Oliver Stuenkel, a professor at the Getúlio Vargas Foundation in São Paulo, said Lira was casting himself as the guardian of economic reform.

"He can stop things that the president wants to do. In a way that's what a lot of investors want to hear. He's saying the worst-case scenario is the status quo. He was also telling the government — 'there's no point trying radical stuff'."

The Speaker's post controls the legislative timetable and decides whether to proceed with impeachment requests against the head of state.

Lula suffered his first big legislative defeat this month when the lower house partially vetoed decrees aimed at protecting state-owned water utilities. The orders would have altered regulation approved under the previous rightwing president, Jair Bolsonaro, that opened the sector to more private enterprise.

Lawmakers will also vote soon on Lula's plan to ease state spending caps.

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TIME THE WORLD

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Retail resistance Supermarket chains fight back against goods suppliers' price rises as customers feel pinch ➔ COMPANIES

Companies & Markets

Vodafone set to cut 11,000 jobs as profits miss forecasts

- Chief cites pressing need for change
- 'Faster execution' of recovery sought

ANNA GROSS — LONDON

Vodafone plans to axe 11,000 jobs over the next three years as chief executive Margherita Della Valle warned the telecoms group "must change" to end a period of poor performance in its largest market and a plummeting share price.

Cuts will be made at UK headquarters and in local markets, the group said yesterday as it published full-year results that fell short of analysts' expectations.

"Our performance has not been good enough," said Della Valle, who was made permanent chief executive last month after serving as interim boss following the departure of Nick Read late last year.

Della Valle, who has been with Vodafone since 1994 and was chief financial officer under Read, said she had a "different perspective and different role".

> 'The company still looks like an over-indebted investment trust of telecoms assets'

"The steps we have taken in the last few years have been too incremental. We need to be much deeper and faster today in our execution," she said.

Read's exit followed pressure from shareholders unhappy with Vodafone's struggle in Germany, its largest market, and concerns the group was spread too thin across Europe and Africa.

The cuts equate to about 12 per cent of the 90,000-strong global workforce. Group headquarters in Paddington, London, where about 1,500 people work, will become "much leaner", said to someone briefed on the plan.

The rest will be spread across global roles that provide "shared services" to regional businesses and units across Europe. The group will use about £250mn in cost savings on customer service and to bolster the brand.

Karen Egan, analyst at Enders Analysis, said the plans were "somewhat more aggressive and there is more recognition of the failings of the previous approach, so there is hope".

But "we have had many false dawns in Germany as well as Italy and Spain so a new promise to turn things round is going to be met with a degree of scepticism".

Russ Mould, investment director at AJ Bell, said there were "glaring flaws" in Della Valle's plan such as a lack of clarity over how it would achieve growth.

"The company still looks like an over-indebted investment trust of telecoms assets and the new CEO's plan does nothing to address the structural challenges that face Vodafone," he said.

Vodafone's latest results show full-year revenues up 0.3 per cent to €45.7bn, below analysts' estimates. Adjusted earnings before interest, tax, depreciation and amortisation fell 1.3 per cent to €14.9bn, short of the company's guidance of €15bn to €15.2bn.

Adjusted free cash flow would probably be €3.3bn for the year to March 2024, it said, less than the €3.8bn some analysts had expected. The company blamed regulatory changes in Germany that will hurt cable TV providers.

Della Valle is under pressure to simplify European operations. Read was criticised by shareholders for failing to secure deals to improve performance in markets including Spain and Italy and for presiding over a 40 per cent fall in the group's share price.

Talks between CK Hutchison and Vodafone to merge their UK businesses and form the biggest mobile operator in Britain have yet to produce a deal.

Shares in Vodafone closed down 7.4 per cent yesterday.

See Lex

Powering down Ford to scale back its China investment amid EV competition from locals

Horsepower: a Ford Mustang on display at an international trade fair in Shanghai in 2021 — Tang Ke/VCG via Getty Images

PETER CAMPBELL — COPENHAGEN

Ford plans to scale back investments in China as the US carmaker's chief executive warned there was "no guarantee" western carmakers could win against local electric vehicle rivals.

The company will "put less capital at risk" by focusing on commercial vehicles such as delivery vans and will use the market as a "listening post" to help it better understand battery technology, Jim Farley told the Financial Times.

"If you just reinvest in a new cycle of EVs in China, there is no guarantee, or no data, that would suggest the western companies win," Farley said. "The winners in China [in EVs] turn out not to be the [traditional carmakers]," he said. "It's actually all the EV brands like BYD and Tesla, Great Wall, SAIC and Changan who are winning."

Global carmakers have been losing ground to domestic rivals that offer cheaper or better electric vehicles, threatening profits in a market that has become a core business for manufacturers such as Volkswagen, Mercedes-Benz or General Motors.

Several carmakers, such as VW, have vowed to boost spending in the country to try to claw back market share but Ford plans to take a different approach, Farley said.

"We have been for the last couple of years really looking carefully at our China business," he said. "And now we have made up our mind where our strategy is going to be, and it will be a much lower investment, more focused investment."

He declined to comment on local reports that Ford was preparing to cut 1,300 jobs in the country but added: "We don't want to leave China like others have because the battery technology, the user digital experience . . . is among the best in the world."

Ford, which has eight plants in the country through joint ventures with local operators Changan, Lin Ho and JMC, has had its market share halve since 2016.

The US group's vehicle sales in the country fell below 500,000 last year, though it plans to export some electric vans made with JMC to emerging markets.

Ford's planned slimming of its Chinese operation has echoes of the carmaker's strategy in other regions such as Europe, where it has been cutting models such as the smaller Fiesta and refocusing on higher-margin vehicles.

Separately, many carmakers have been reshuffling global operations in light of rising trade tensions between the US and China, either to reduce exposure to Chinese supply chains or to tap into US tax credits that reward local manufacturing.

Additional reporting by Claire Bushey in Chicago

BlackRock wants staff in the office four days a week

MADISON DARBYSHIRE — NEW YORK

BlackRock will require employees to go to the office at least four days a week, the latest company to curtail liberal work-from-home policies enacted in the pandemic.

The New York-based asset manager with about 20,000 employees in more than 30 countries said that from September 11, staff will be able to work from home just one day a week, according to an internal memo.

"We encourage you to transition into this model by increasing your in-office days, as your schedule permits, over the next few months," said the memo signed by Rob Goldstein, chief operating officer, and Caroline Heller, head of human resources.

BlackRock, the largest asset manager with more than $9tn under management, joins a growing push to have employees spend more time in the office. JPMorgan Chase announced in April that it would require managing directors to be in the office five days a week.

The order will provide modest relief to office property owners and adjacent businesses that have suffered as working from home persists.

Office occupancy in New York is still just under 50 per cent — about the national average — according to a barometer produced by Kastle Systems, which runs security systems in many buildings.

Many in the real estate industry quibble with Kastle's findings. Still, after dismissing remote working as a pandemic-era fad, most have come to accept in recent months that it is here to stay.

Speaking to investors in February, Steven Roth, chief executive of Vornado Realty Trust, one of New York's largest office landlords, conceded that the five-day work week was finished.

"I think you can assume that Friday is dead forever," Roth said. Monday was "touch and go".

BlackRock's order adds a day to its current requirement of three days a week in the office.

"We have felt the energy generated by being together," the memo said. "When fast-moving, high client interest events are happening, having our teams physically together to find solutions, seize opportunities and learn from each other makes a difference . . . See you in the office!"

Additional reporting by Joshua Chaffin in New York

Statisticians tackle the middle-class problem of Indian growth

INSIDE BUSINESS

ASIA

John Reed

India is now officially the world's most populous nation, according to the UN, having surpassed China for the first time this year. But just how big a market is it?

Since the country began liberalising its economy more than three decades ago, companies — Indian and foreign — have been trying to puzzle out how many Indians make enough money to be categorised as middle class.

While estimates differ, all are a small fraction of the UN's headline number of the more than 1.425bn people it now estimates live in India.

Some past estimates have put the number of middle-class people well below 100mn, suggesting India's consuming classes are closer in size to those in one of south-east Asia or Europe's midsize economies than China's.

Many Indians do not earn enough money to pay income taxes, work outside the formal economy, or are exempted from taxes because they work in agriculture. In the 2021-22 fiscal year, only about 58mn individual returns were filed.

The country's modest average income levels have spawned phenomena such as "microinsurance" (policies with ultra-low premiums), and what is termed the "sachet economy": single-portion packets of products such as cookies and shampoo.

The question of who India's middle class are and what they want is a perennial one for companies in consumer goods and other sectors trying to figure out how to sell them more toothpaste, streaming content or mobile phones.

In a country where consumption accounts for about 60 per cent of gross domestic product, the metric is relevant to anyone following India's broader growth story too.

"The middle classes act as employers and employees, consumers and producers, and agents of political change," says Rajesh Shukla, chief executive of People Research on India's Consumer Economy, or Price, a not-for-profit research firm based in Udaipur that conducts household income surveys. "They generate many of the new jobs that employ the growing workforce, besides paying nearly half of all taxes."

> 'The middle classes act as employers and employees, consumers and producers, and agents of political change'

But getting solid data has historically proved tricky in India.

The country's National Council of Applied Economic Research conducted income surveys until 2004-05; more recently Price did three of its own.

Based on its own research, Shukla's group estimates there are about 432mn middle-class Indians, about one in three. The range of what Price ranks as middle class is large: household income of between Rs500,000 and Rs3mn (about $6,700 to $40,000) a year — enough, says Shukla, to "have achieved economic security and be able to indulge in discretionary consumption".

Indian market researchers say they use such a broad definition because it mirrors the lowest and highest tax brackets for people who file taxes — and tax returns are a quantifiable set of data. They say India's rollout of a goods and services tax and growing digitisation of the economy are bringing more people into the formal economy, and giving researchers analysing the Indian consumer more hard data to work with, too.

Shiv Shivakumar, operating partner at private equity firm Advent International, extrapolates the size of the middle class starting from the number of income tax returns and an average household size of 4.4 people.

He then adds another 100mn to 200mn non-taxpaying people in agriculture (what he calls the top income layer of the nearly 1bn Indians who live on the land) and reaches an estimate of 356mn to 456mn people.

Shivakumar uses the same Rs500,000 to Rs3mn yearly household income definition of the middle class as Price's Shukla. "If you look at India as a multinational, you might get disheartened by it — it's 1.4bn people — and ask, why is my business not bigger?" he says. "But a lot of progress has happened and more will happen."

Another group that market researchers are watching are people just below the income rung of R500,000 a year — what they call "aspirers" who might soon be moving into the middle class.

"Anyone who is looking at the Indian economy from the rear-view mirror is going to underestimate not just the quantity but also the quality of the changes in consumption that are coming in India," says Nikhil Ojha, senior partner with Bain & Co.

"The biggest shift will be the move upward of the 'aspirers' into the middle class, people who buy not just more of the same, but also more premium and newer categories."

john.reed@ft.com

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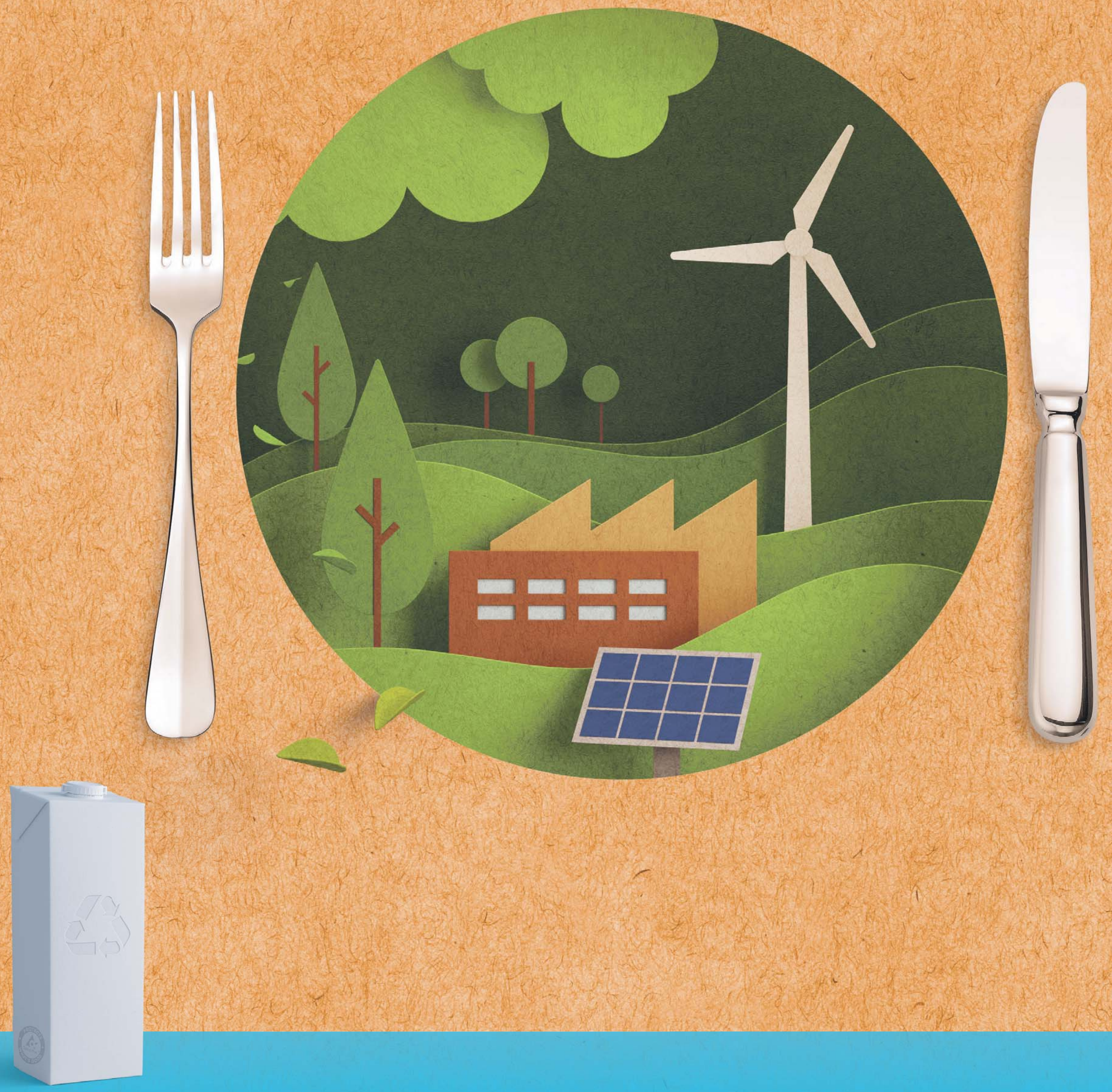

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Pharmaceuticals

FTC sues to block $28bn Amgen deal

US competition watchdog says sector consolidation is pushing up drug prices

STEFANIA PALMA — WASHINGTON

US regulators have warned that "rampant consolidation" in the pharmaceuticals industry is pushing up prices for patients as the Federal Trade Commission sued to block Amgen's $28.3bn deal to acquire Horizon Therapeutics.

The lawsuit marks the first time in more than a decade the US antitrust regulator has sought to block a deal in the sector. Shares in Horizon, based in Ireland, were down nearly 16 per cent yesterday morning in New York.

The lawsuit also hit Seagen, which slid more than 5 per cent as investors weighed the possibility of the FTC targeting other deals in the sector. The oncology-focused biotech agreed a $43bn deal to be acquired by Pfizer.

"Rampant consolidation in the pharmaceutical industry has given powerful companies a pass to exorbitantly hike prescription drug prices," said Holly Vedova, director of the FTC's competition bureau.

Amgen said it was "disappointed by the FTC's decision and remains committed to completing this acquisition". It said it had addressed the regulator's questions and proved the deal "poses no legitimate competitive issues".

Amgen and Horizon indicated they would fight the FTC in court. "We firmly believe in the benefits of this acquisition and intend to work with the court on a schedule that would allow the transaction to close by mid-December," both companies said in separate statements.

FTC chair Lina Khan is among a new cohort of progressive antitrust officials appointed by US President Joe Biden, who have vowed to crack down on anti-competitive conduct in the US.

When announcing the transaction last year, Amgen had said Horizon's pipeline of medicines would "strongly complement" its R&D portfolio, including drugs targeting rare inflammatory and autoimmune diseases as well as Horizon's blockbuster treatment for thyroid eye disease, Tepezza.

"We understand the FTC and current administration is prepared to continue its more aggressive strategy to deter M&A even if legal merits are not strong as Amgen doesn't have any overlap or anti-competitive dynamics with Horizon," said Jefferies analyst Michael Yee.

The FTC under Khan and the Department of Justice's antitrust unit under Jonathan Kanter have aggressively challenged deals they deem anti-competitive. One of the biggest tests for Khan will be the FTC's bid to block Microsoft's $75bn acquisition of gaming company Activision Blizzard. The deal was cleared by the EU this week, though the UK decided to block the transaction.

The antitrust watchdog under Khan also launched an inquiry last June into intermediaries in the prescription drug industry. It required the six largest pharmacy benefit managers, which negotiate fees and rebates with drugmakers, to share information on their business practices. Less than 10 days later, the FTC said it would intensify enforcement against illicit rebate plans or bribes to intermediaries that block consumers' access to low-cost drugs.

On the FTC's tougher stance, Khan warned this "should put the entire prescription drug industry on notice: when we see illegal rebate practices that foreclose competition and raise prescription drug costs for families, we won't hesitate to bring our full authorities to bear".

Additional reporting by Peter Wells in New York

Banks. Internal reform

Deutsche's Dutch chair makes quiet progress

Despite his outsider status, Wynaendts is making his mark on the German lender

OLAF STORBECK — FRANKFURT

It took Alexander Wynaendts 13 days to prove his sceptics wrong.

When the Dutch former insurance executive joined Deutsche Bank in May last year, investors feared the new chair might be a mere figurehead.

Lacking an internal power base, much banking expertise or many connections in Germany, they were concerned that Wynaendts would be pushed around by Deutsche's management.

He quickly proved otherwise, siding with regulators to oust the head of DWS, the asset manager 80 per cent owned by Deutsche, after the bank's top brass had publicly backed Asoka Wöhrmann in the face of damaging greenwashing allegations.

Wynaendts thought Wöhrmann's departure was an "obvious decision", say people familiar with his views. It became one of several moments over the past year that helped cement his position at Deutsche.

The 62-year-old's arrival at Deutsche coincided with the bank generating record profits after a decade of crisis. Yet Wynaendts still faces the same issues as his predecessor, Paul Achleitner: flaws in internal controls, regulators demanding continuous improvements, a bloated bureaucracy and high costs.

"We still need to regain the trust and confidence," he told the Financial Times, adding that he was deliberately keeping a low public profile.

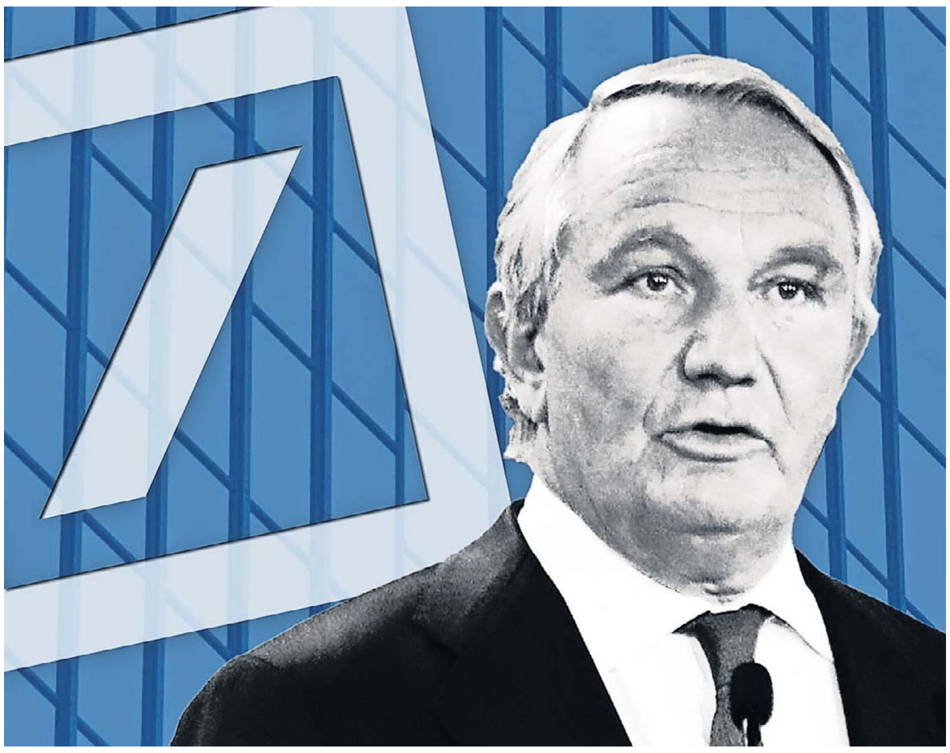
"I think humility is a good way [to win back confidence] rather than making too much noise."

Wynaendts' quiet progress has begun to win him the respect of insiders and investors.

"He has made a difference already internally," Andreas Thomae, an ESG expert at Deka Investment, a top-20 investor in Deutsche, told the FT.

Alexandra Annecke, a portfolio manager at Union Investment, another top-20 investor, said the chair's focus on rebuilding trust, remediation of control issues and costs were "precisely the right priorities".

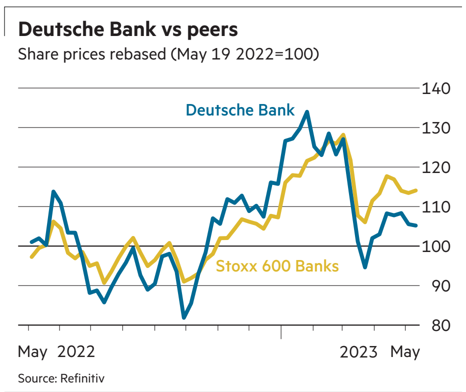
Investors say they were heartened by his decision to cut the bonuses for chief executive Christian Sewing and other executive board members over missed milestones and delays in improving internal controls.



Change of style: Alexander Wynaendts has started to win the respect of insiders and investors — FT montage/Bloomberg/EPA-EFE

Overcoming scepticism by fellow supervisory board members, Wynaendts imposed a 5 per cent reduction to one of the bonus components, docking €1mn in total, including a €145,000 cut for Sewing.

The chair also insisted the cuts were fully disclosed in the annual report. "We wanted to send a signal to the entire organisation," he told the FT, adding that everyone should understand that "the management board is held accountable" for the issues. He said he wanted to avoid any potential misunderstanding "about what is the top priority here".



His management style contrasts with that of Achleitner, who enjoyed the limelight and tried to avoid open conflict as much as possible.

"Paul took it upon himself to speak to people bilaterally," trying to iron out compromises, said a person who experienced both tenures. Achleitner's critics accuse him of dithering and shying away from tough but necessary decisions. Achleitner declined to comment through a spokesman.

"Alex is more open. He lets people see each other's opinions" in the boardroom, the person said. Initially, board members could barely believe this new approach. "It was like: oh, we're really talking about this. This is not a foregone conclusion," said one.

Wynaendts is also more hands-on than is considered normal under Germany's two-tier board system where the supervisory board formally has no role to play in day-to-day operations, say people familiar with the matter.

> 'I think humility is a good way [to win back confidence] rather than making too much noise'

During the meltdown of Credit Suisse, he was personally involved in discussions around if and when Deutsche lowered its exposure to the Swiss bank, say the people.

However, for all the progress, some investors remain wary of Wynaendts' outsider status, pointing to the fact that his German is not yet good enough for him to run Deutsche's annual shareholders' meeting, scheduled for today.

Others are concerned about his relationship with the bank's chief executive and his handling of at least one crucial decision.

Sewing, who had a close relationship with Achleitner, has taken time to get used to the new chair, say people familiar with the matter.

The two took opposite sides on one of the most important decisions during Wynaendts' first year: whether deputy chief executive Karl von Rohr's contract would be extended past October 2023.

The CEO wanted to keep von Rohr, a personal friend and longtime confidant, according to the people familiar with the matter. Von Rohr also had the backing of workers' representatives, who have seats on the supervisory board that appoints the bank's executives.

But when it became clear that Wynaendts was not a big fan of von Rohr — pointing to his handling of the DWS greenwashing allegations and the slow progress in restructuring Deutsche's domestic retail unit — Sewing backed down without a fight, say people familiar with the discussions.

Eventually, von Rohr pre-empted a formal decision by the board not to extend his contract, and last month announced that he would not seek another term. "Karl did not have many other options left," said one insider.

Critics argue that Wynaendts did not handle the process well, as the discussions over von Rohr's future dragged on for more than six months and involved a series of damaging leaks.

The CEO and chair's relationship is "growing in a very positive direction", said a person close to both men, adding that from the beginning they both had "great respect" for each other. "We are working very well together," said Wynaendts.

Wynaendts, von Rohr and Sewing declined to comment.

The Deutsche chair said his main job was to "support" management and help them "to do what they need to do".

Asked if that occasionally required him to be annoying, Wynaendts said: "I think we have avoided the need to come to that."

Banks

France seeks to recover €2.5bn in back taxes from lenders after probes

LEILA ABOUD AND SARAH WHITE
PARIS

The French government is seeking to recover €2.5bn in back taxes from several banks, including some of the country's largest lenders, over a scheme they are alleged to have used to avoid taxes linked to dividend payments.

Gabriel Attal, the minister for the budget, gave the figure in a public Senate hearing earlier this month but did not identify the banks that had been issued with the demands.

It is the first time the French government has given a figure for the potential losses to public coffers from the so-called cum-cum trades, or transactions designed to seek tax advantages tied to the payment of dividends.

Banks elsewhere in Europe, including in Germany, have been targeted by related probes around so-called cum-ex trades, in which governments reimbursed taxes on dividends that were never paid to start with.

The disclosure of the French bill comes after financial prosecutors in late March sent 150 agents to raid the offices of several French banks, including BNP Paribas, Société Générale, HSBC, Natixis and BNP-owned brokerage Exane.

France's financial prosecutor's office said at the time that the raids were linked to five investigations launched in 2021 over alleged money laundering and fiscal fraud charges.

> Two people close to the discussions said the banks had pushed back against the demands

The French banks allegedly helped foreign clients by temporarily taking the shares they held in French companies around dividend days to avoid tax being levied on them, prosecutors said.

French tax authorities sent a related tax bill to several French banks regarding the period of 2017 to 2019, Le Monde reported on Monday.

The French newspaper was the first to report Attal's comments, which were made on May 2.

A spokesperson for Attal declined to say yesterday whether the banks in question had already paid back the €2.5bn the tax authorities had demanded. Two people close to the discussions said the banks had pushed back against the demands and were disputing its premise and the amounts. BNP, Natixis, HSBC and SocGen declined to comment yesterday.

The French banking trade association, the Fédération Bancaire Française, has filed a lawsuit to force the tax authorities to define what dividend arbitration strategies require tax payments, the people added.

Work is continuing to determine the overall level of lost tax revenue, Attal said, and it could end up being higher once investigations were concluded.

"There are several amounts that have been estimated," Attal said. "We don't have the information to confirm some of the very high estimates that are out there, such as €33bn over two decades."

Crédit Agricole, France's second-biggest bank by market value, was not targeted by the raids in March after reaching its own settlement of €35mn in back taxes and fines, a person familiar with the matter said.

Automobiles

Ex-Audi boss pleads guilty in dieselgate case

PATRICIA NILSSON — MUNICH

The former boss of Volkswagen's Audi brand has admitted he suspected emissions cheating before the diesel-emissions scandal was uncovered, raising further questions as to how many executives had knowledge of the cover-up.

Rupert Stadler, a former VW board member, yesterday told the district court of Munich he had continued authorising cars for sale even after he "recognised it as a possibility" that the vehicles contained devices that tricked regulators, and by extension customers and investors, into believing they emitted lower emissions.

"I did not know that vehicles had been manipulated and buyers had been harmed as a result, but I recognised it as a possibility," Stadler said in a statement read out by his defence. "I see for myself that more care was required," he added.

Stadler's confession to fraud by omission and false certification is the first by a former high-ranking executive at VW, which has attempted to draw a line behind "dieselgate" uncovered by US regulators in 2015.

He spent more than two years denying the claims, but the court earlier this year offered Stadler a suspended sentence and a €1.1mn fine if he admitted to the allegations; a turning point in the case, together with the previous confessions of two Audi engineers charged alongside him. The verdict is expected at the end of June.

Dieselgate is the biggest scandal to have rocked VW in recent years and it has paid out more than €32bn in legal fees and fines related to the cover-up.

Complaints over the handling of the affair were raised by investors as recently as last week at VW's annual meeting. Ingo Speich, head of corporate governance at the top-20 shareholder Deka, criticised the "lack of transparency" towards shareholders over the issue.

"We continue to be extremely dissatisfied with the contribution that [VW's] supervisory board is making to clarifying the diesel scandal," he said last week.

Attention will now turn to the status of three trials of VW's former chief executive Martin Winterkorn, two of which have been on hold due to the 75 year-old's health. The one under way in Braunschweig, to establish whether Winterkorn knew of the fraud, is taking place in the former VW boss's absence.

Before taking the top job at the VW group, Winterkorn had been Stadler's predecessor at Audi, where the emissions cheating had originated.

The scandal, where VW was forced to admit to having installed software that could manipulate nitrogen oxide tests in close to 10mn vehicles, reverberated across the industry and revealed how companies were pushing the limits on how to exploit loopholes when it came to emissions requirements.

VW said it was not party to the proceedings against Stadler.

Financials

Niel-led investor group to raise stake in GAM

EMMA DUNKLEY

An investor group led by billionaire Xavier Niel plans to lift its stake in asset manager GAM beyond 10 per cent, a move that threatens the sale of the troubled group to UK rival Liontrust.

The investor group said yesterday it would notify the Swiss Financial Market Supervisory Authority of its plan to raise its holding in GAM, a once high-flying asset manager, from 8.4 per cent to more than 10 per cent of voting rights.

The intervention comes after GAM earlier this month reached a deal to sell itself to London-listed Liontrust for £96mn. Just days after the sale was announced, the Niel-led group claimed that the takeover "needlessly favours the bidder and is contrary to the principles of Swiss takeover law".

Under the deal, Liontrust pledged to keep GAM's investment management business but sell its fund services arm.

The Zurich-listed fund group had been searching for a buyer for months following a calamitous five years triggered by a 2018 scandal over its investments in risky debt.

The investor group, which also includes Rock Investment and wealth manager Bruellan, first disclosed a stake in GAM last month, saying it saw "an opportunity to restore [its] reputation as a best-in-class asset management firm". It described the shares as "undervalued". Shares in GAM rose 5 per cent, but have fallen more than 95 per cent since 2018.

Xavier Niel: tycoon and associates oppose GAM's sale to rival Liontrust

Niel is one of the richest men in France and is known for launching low-cost telecoms operator Free Mobile.

GAM had been forced to twice delay its annual earnings as it held talks with potential suitors, including Swiss lender Zürcher Kantonalbank.

Liontrust said the acquisition would transform it into a global asset manager overseeing £53bn. To fund the deal, it aims to raise money by selling 9.4mn of shares. It will also provide two loans of up to £17.8mn to help restructure GAM.

GAM's problems arose in 2018 when it suspended former star fund manager Tim Haywood with little explanation, which led investors in Haywood's Absolute Return Bond funds to exit. It later transpired he had bought bonds from companies related to Lex Greensill's now collapsed supply chain finance business Greensill Capital. Haywood's funds were ultimately liquidated.

See Lex

COMPANIES & MARKETS

Consumer goods suppliers encounter retail resistance over steep price rises

Supermarkets fighting inflation for their customers are increasingly disinclined to knuckle under

ALISTAIR GRAY AND LAURA ONITA
LONDON

After stomaching some of the steepest price rises in decades on everyday goods from bread to toilet roll, shoppers are beginning to balk.

Sales volumes at several of the largest suppliers of consumer packaged goods have proved unexpectedly resilient, helping them to offset a historic upswing in commodity prices and shore up profitability.

Earnings reports show profit margins expanded last quarter at companies including Kimberly-Clark, home to brands such as Kleenex and Huggies, cleaning product maker Clorox and Procter & Gamble, the largest household goods group.

But as they attempt to restore margins to pre-pandemic levels, consumer goods companies are encountering resistance. Some powerful supermarket chains, which typically operate on thinner margins, are increasingly unwilling to accept their pricing demands, people with knowledge of some of the negotiations said.

Until recently, suppliers had been able to "pass on price increases because the input costs justified it", said Ken Harris, a consumer products consultant at Cadent Consulting. Retailers "pretty much acknowledged that it was legit".

So great were the increases in the cost of commodities, energy and shipping arising from pandemic disruption and Russia's invasion of Ukraine that "however much they [retailers] didn't like it, it was hard to argue against", said Will Hayllar, partner at strategy consultants OC&C.

Since the start of this year, however, retailers had "pushed back and said no", Harris said. Consumers were "starting to say that they don't think the price increases are justified".

Ken Murphy, chief executive of Tesco, recently said that while the UK's largest retailer recognised that its suppliers were facing rising costs, it was not afraid to have "direct conversations" with them about securing better terms for shoppers. Food company Kraft Heinz last summer halted supplies of some products to Tesco in a dispute over pricing that has since been resolved.

Simon Roberts, chief executive of Sainsbury's, said he was "absolutely determined to battle inflation for our customers". The grocer's operating profit margins fell from 3.4 per cent to 2.99 per cent last year as it tried to mitigate rising costs.

In pushing consumer goods groups for more favourable terms, retailers can point to a sharp reduction in some input costs. Vegetable oil prices have almost halved from a year ago, according to UN data. Polyethylene, widely used in packaging, is down about a third, according to commodity analytics company ICIS.

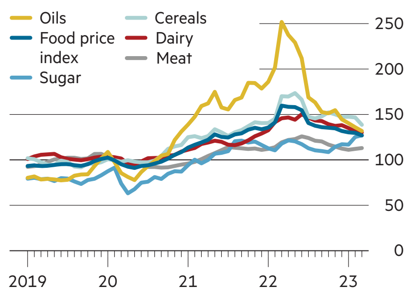
As a result, Hayllar said, "we are getting to a point where those negotiations [between retailers and suppliers] are going to be more difficult".

The relief from lower input costs is far from universal. Steve Voskuil, chief financial officer at chocolate company Hershey, told analysts that prices of cocoa and sugar were "moving in the wrong direction". Sugar prices are up 23 per cent in the past year, according to the UN data.

"Commodities are a bit of a mixed bag," said Jeff Carr, finance director at Reckitt Benckiser, although overall cost inflation for the UK-based maker of Clearasil skin cream and Cillit Bang cleaner was "much more manageable" this year than last.

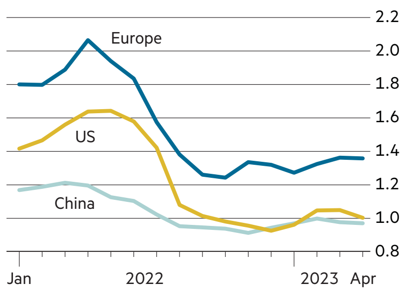
Food prices

FAO index (2014-16=100)



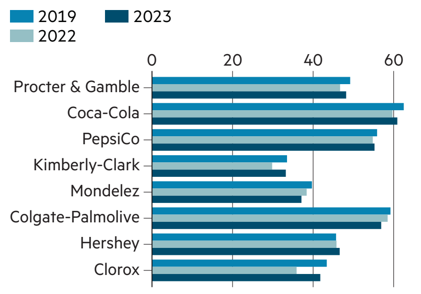
Polyethylene

PE LLDPE grade C4 butene ($'000 per tonne)



Margins

Gross (%), last quarter



Sources: FAO; ICIS; Bloomberg

Hard bargain: big retailers are not afraid of having 'direct conversations' with consumer goods sector participants about securing better terms for shoppers
Yui Mok/PA

The consumer goods groups have turned to efficiency savings to support margins, although their contribution to profits is small compared with the price rises some companies have pushed through.

Price increases of 10 per cent on average in the first three months of the year bolstered gross margins at P&G, maker of Gillette razors and Head & Shoulders shampoo, by more than twice the amount of its cost-saving initiatives.

Industry executives have brushed aside the notion that they have exploited inflation to fatten profits. Most large consumer packaged goods groups, including P&G, are operating on tighter margins than they were before the pandemic.

Clorox's price rises, which chief executive Linda Rendle said were "cost-justified", helped bump its gross margin in the first quarter to 41.8 per cent from 35.9 per cent a year earlier, but it was still lower than the 43.4 per cent achieved in 2019.

Given persistent cost pressures, not all companies in the sector became more profitable last quarter. Colgate-Palmolive's gross margin narrowed from 58.5 per cent a year ago to 56.9 per cent, although chief financial officer Stanley Sutula expects improvement in the months ahead.

Even if such figures suggest that inflation has not benefited such companies, supermarket executives are concerned not only that shoppers are increasingly unable to cope with ever higher prices at the checkout but that it is retailers who are being held responsible.

A survey earlier this year by dunnhumby, a data analytics group, found that US consumers believed grocery retailers' net profit margins were 14 times higher than they were.

Retailers were pushing back against suppliers' attempts to raise prices "'so that you can pad your margins', while the consumers are telling us that it's our fault", said Harris.

So far, executives said, resistance to price increases had been more pronounced from shoppers and retailers in Europe than in the US. Household finances were under greater strain in Europe, where shoppers also have more options to defect from branded goods to cheaper versions of the same products developed by retailers.

Sales volumes last quarter at Unilever, the UK-based maker of Dove soap and Ben & Jerry's ice cream, fell 3 per cent in Europe but were up 0.6 per cent in the Americas, despite similar price increases in both regions.

Graeme Pitkethly, finance director, said European consumers were "under pressure" and there had been some "trading down" to supermarkets' own, so-called private label, goods in some categories such as bleach.

Yet in the US, too, there are signs that consumers are increasingly reluctant to keep paying up for ever more expensive household essentials as the economy stutters.

> 'We are getting to a point where those negotiations are going to be more difficult'

"We are still seeing some pretty aggressive price increases [in the US], but that's probably coming to an end," said retail consultant Jan Rogers Kniffen. "Consumer demand is now starting to slow."

Michele Buck, chair and chief executive of Hershey, said that while demand for confectionery had been robust, customers were "looking for more affordable options, whether it is the channels in which they're shopping, private label, deals and increased promotion".

Some executives cautioned that further price rises were on the cards in several categories.

Carsten Knobel, chief executive of Henkel, the German-based company behind Persil detergent and Pritt glue stick, said "additional pricing is needed to further compensate for the pressures" from input costs, including wage inflation.

Henkel increased prices 12 per cent on average in the first quarter of 2023, hurting sales volumes, which declined 5.4 per cent.

But as retailers harden their stance — and several input costs begin to fall — most executives said the worst of the pricing pressures for shoppers had probably passed.

"Most of the price was taken last year," said Nicandro Durante, Reckitt's chief executive. "I don't see a lot of price rises going forward in 2023."

Financials

Norway's oil fund to step up ESG demands on US groups

RICHARD MILNE — OSLO

Norway's $1.4tn oil fund will step up its use of shareholder proposals to send messages on environmental, social and governance topics to US companies after quietly testing them out at a small number of annual meetings.

The world's largest sovereign wealth fund filed shareholder proposals on climate for the first time this year at four US companies but did not publicise them until now, its head of corporate governance told the Financial Times.

Two companies — Packaging Corporation of America and Marathon Petroleum — gave commitments on climate so the fund withdrew its proposals, while in two others — NewMarket and Westlake — the annual meeting voted on the oil fund's motion.

"It was a new thing for us. It's a test case with four companies," said Carine Smith Ihenacho, the Norwegian fund's chief corporate governance officer.

She added that the fund considered the trial a success and would probably step up use of shareholder motions in the future.

"We would like to do more on climate but also consider other areas across the ESG spectrum," she said. "It will most likely be in the US."

Norway's oil fund is one of the most influential investor voices on ESG, owning on average of 1.5 per cent of every listed company in the world.

For decades it was worried about being too outspoken as a shareholder but in recent years it has taken a more active stance, becoming the first big shareholder to declare how it will vote at the annual meetings of all 9,000 companies it owns five days in advance.

It is also stepping up its demands for all companies to set various targets to ensure they have net zero carbon emissions by 2050 — and its four test proposals this year asked the selected businesses to do that.

"The beauty of it is that sometimes we see shareholder resolutions where we agree with 70 per cent, or 40 per cent, or 80 per cent. With this we get our views out there," Ihenacho said.

She underscored that filing a shareholder motion was a last resort and particularly suited to companies in the US, both because it was easier to file proposals there and because American companies lagged behind their European counterparts in ESG matters.

"I see the shareholder proposal as a very nice add-on. It may become quite an important tool. It is nice to be able to formulate our own proposal to companies. With the experience we have had, we definitely see it as a strong add-on," she said.

But she stressed that voting "consistently" at annual meetings and dialogue with companies and their boards would remain the most important tools.

"We will never reach that many companies with our proposals. It is a time-consuming and resource-intensive tool," she said.

At NewMarket, a producer of lubricant and fuel additives that has a free float of 72 per cent, the oil fund's proposal received the support of 28 per cent of shareholders, with 60 per cent against and 12 per cent abstaining. Westlake, a chemicals and plastics company, will disclose the results of last week's annual meeting today.

The fund filed 21 shareholder proposals at 13 US companies between 2009 and 2015 on proxy access and splitting the role of chief executive and chair, but has not filed one since and had not previously done so on climate.

Retail

Krispy Kreme unfazed by UK restrictions on where unhealthy foods can be sold in stores

ERI SUGIURA — LONDON

Krispy Kreme's chief executive has hit back at UK restrictions on where unhealthy foods can be sold in stores, saying consumers can be "trained" to look for its doughnuts in different sites.

Rules controlling foods high in fat, salt or sugar have been in partial effect in the UK since October, barring large stores from placing such items in prominent positions near checkouts and entrances.

Although more curbs are expected in the coming months, Mike Tattersfield said that the North Carolina-based company would push for growth in the UK market by exploring new ways to reach customers. "You do have a short-term displacement," Tattersfield said. "But the opportunity starts to be that you just continue to train your customer in different parts of the retailer and other retailers that we are not in today . . . We'll look at the channels to continue to maximise growth. Whenever you have regulations that kick in and as you shift business, customers still continue to look for what we do."

In the UK, Krispy Kreme sells doughnuts in supermarkets such as Tesco and Sainsbury's, as well as in standalone stores. The group, which serves 32 countries, posted $54.9mn in profits for the first quarter ended April 2, up 12 per cent from a year earlier. While it does not disclose UK-specific profit figures, those for its international segment fell 21 per cent to $13.6mn, due to inflation.

> 'I don't see the world changing to kale cake for their break . . . It's not that much fun to share'

Asked if he saw a threat from healthier alternatives to Krispy Kreme's doughnuts, Tattersfield said he believed it was unlikely that people would start consuming these items regularly. "I don't see the world changing to kale cake for their break every single day," he said. "No disrespect to kale, but it's not that much fun to share."

Tattersfield's comments underscore the challenge for the government in trying to promote healthier eating and reduce intake of foods with high sugar, salt and fat content.

Dirk Van de Put, chief executive of Mondelez, which owns confectionery brands including Cadbury and Milka, said in January that although the UK rule change had deterred some "impulse buys", sales were "holding up quite well" as stores found secondary sites to promote the products.

The effect was "far from the magnitude that we could have taken, and I'm expecting that [as] the consumer gets used to this new set-up of the stores, that the volume growth will come back", Van de Put said.

In addition to the new rules, the Department of Health and Social Care plans curbs on volume promotions for specified foods — including buy-one-get-one-free deals — in October. The rule has been delayed for a year to "allow the government to review and monitor the impact of the restrictions on the cost of living in light of an unprecedented global economic situation", the department said last May.

There will be restrictions banning advertisements for foods with high sugar, salt and fat on TV before 9pm and paid-for adverts online, taking effect in 2025.

Krispy Kreme relisted in 2021 following its acquisition in 2016 by European investment group JAB Holding.

In the US, the company is expanding its channels by piloting at 160 McDonald's restaurants.

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Equities. Lower risks

Japan stock index hits 33-year high as investors warm to Tokyo story

Interest spurred by corporate governance reform hopes and hunt for alternative to China

LEO LEWIS — TOKYO
KATIE MARTIN — LONDON

Taking stock: Toyko's exchange said it intended to take a stronger position in pushing companies to raise their corporate value
Richard A. Brooks/AFP/Getty

Japan's stocks reached their highest level in 33 years yesterday, propelled by growing hopes of higher governance standards and more serious regard for shareholders after decades of lacklustre returns.

The broad Topix index rose almost 0.6 per cent, taking gains so far this year to 13.9 per cent and close to its highest level since Japan's notorious market bubble burst in the final days of 1989.

The Nikkei 225 Average has gained more than 16 per cent since the start of the year and is again close to a post-bubble high, making Japan one of the hottest markets in the world.

Foreign investors have ploughed into stocks and futures in the past five weeks with net inflows during the period reaching nearly $30bn, according to the Tokyo Stock Exchange (TSE), some of the largest inflows of the past decade.

As well as excitement over the potential for a historic rebalancing of corporate priorities, investors also said Japan was benefiting from a "not-China" trade, a perception that Tokyo was a safe way of gaining exposure to Chinese growth but with less geopolitical risk.

The interest in Japan comes after multiple false dawns and years of anaemic returns that persuaded many fund managers to stay clear of the country and its tricky corporate structures, particularly with rich returns available elsewhere.

In the time it has taken Japanese stocks to recover from the 1989 crash, US equities have risen more than 10-fold.

However, some are warming to the notion that Tokyo's stock market is now a trove of high-earning, undervalued stocks with an accelerating wave of improvements in corporate governance.

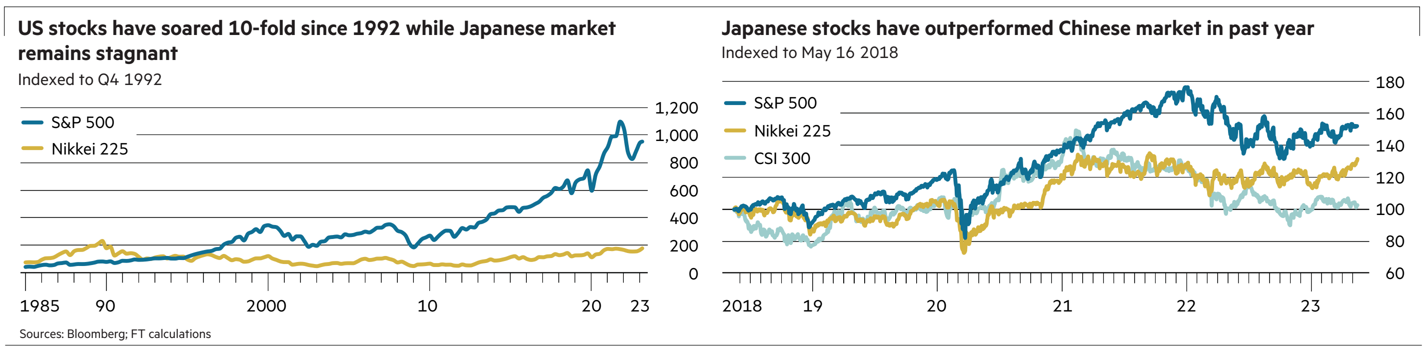
Shrikant Kale, Japan equity strategist at Jefferies, said he had not seen so much foreign investor interest in Japan since the early days of the "Abenomics" era in 2012 when Shinzo Abe took office as prime minister and promised to introduce market-oriented reforms alongside efforts to pep up the moribund economy.

Adding to the momentum was a rare visit to Japan by Warren Buffett last month when the US investor made clear he was keen on adding to his portfolio of Japanese investments.

At the same time, Japan stands out as a large developed Asian market that should benefit from China's economic recovery without the geopolitical risks overshadowing its superpower neighbour, particularly in relation to Taiwan, said multiple fund managers.

Japan may perhaps be "the best not-China option for a global investor", Kale said.

Yunosuke Ikeda, chief Japan equity strategist at Nomura Securities, said: "Some investors think that Japanese companies have a big exposure to the upside in China but also that you can own them as a hedge against the geopolitical risk."



Many Japanese companies offer exposure to China through exports or because they stand to benefit hugely from Chinese travel to Japan.

Japan's relatively predictable policymaking also gives it an edge over China where regulatory crackdowns can be rapid and harmful, said some investors.

"Japan occupies an interesting place geopolitically and it's not lost on investors that the rule of law is taken seriously and the corporate governance regime is quite favourable to owners of equities," said Carl Vine, co-head of the Asia-Pacific equity team at M&G Investments.

Despite the stated optimism of many investors and the momentum behind the current rally, the "buy Japan" theme has yet to produce a sustained reallocation of assets.

In Bank of America's latest survey of global fund managers, released yesterday and covering a survey period in early May, respondents were a net 11 per cent underweight Japan — down 1 percentage point from the previous survey.

But evidence of momentum towards improving Japanese companies' governance and their dealings with shareholders is pulling investment into Japanese stocks.

> 'Japan occupies an interesting place geopolitically and the rule of law is taken seriously'

In recent months, Hiromi Yamaji, the new head of Japan Exchange Group, which controls the TSE, suggested that the bourse intended to take a stronger position in pushing companies to raise their corporate value.

Companies need to pay closer attention to their price-to-book ratio, share price and capital cost, he told Japanese media, declaring that he was "not satisfied" with the way many listed companies had implemented the 2015 governance code.

"The [TSE] theme is resonating with a lot of overseas investors and they are starting to see evidence of that on the ground," said Bruce Kirk, chief Japan equity strategist at Goldman Sachs.

Pushed into action by these shifts at the exchange, many companies are buying back shares, untangling often confusing cross-shareholdings and engaging more closely with shareholders before their regular public meetings, Kirk said.

Buybacks announced across corporate Japan surged to an all-time high of ¥9.7tn ($71.4bn) in the financial year that ended in March.

Analysts forecast that companies will set a new record for buybacks by the end of May ahead of an annual meeting season where their managements will be under more intense pressure to demonstrate that they are heeding the Tokyo exchange's recent comments.

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Jeff Atherton, head of Japanese equities at hedge fund group Man GLG, said the exchange's encouragement meant "more has happened with this in the last two years than in the last 30," creating the biggest single reason for stocks' upbeat performance.

The exchange "has a determined attitude to driving up returns on equity", said Atherton. "They want market capitalisations to go up."

Authorities can see that, "in the top 500 companies in the world, very, very few are Japanese and that hurts their ability to compete," he added.

Buffett's visit stirred up attention but overseas investors said it did not change the country's improving fundamental backdrop.

"It's not Warren Buffett turning up that makes it interesting," said Vine. "He is observing what others are observing. I'm very excited [by the outlook]."

Equities

Berkshire Hathaway bets almost $1bn on credit card provider Capital One

ERIC PLATT — NEW YORK

Warren Buffett's Berkshire Hathaway placed a $954mn bet on credit card and banking company Capital One in the first quarter, one of the few new stakes added by the investment group in a period when it was dumping billions of dollars worth of stocks.

The disclosure of the investment signalled Berkshire's and Buffett's comfort with the credit card industry and the health of consumers' pocketbooks even as several regional banks have been swept up in financial turmoil.

Capital One describes itself as the third-largest issuer of Visa and Mastercard credit cards in the US.

Berkshire has concentrated its financial industry investments on a handful of large US banks — Bank of America and Citigroup — as well as credit card companies including American Express, Visa and Mastercard.

Buffett, Berkshire's chief executive, this month struck a cautious tone about the prospects of the banking industry, warning that the speed of bank runs in an age of online accounts had changed the calculus of investing in the sector. "You don't know what happened to the stickiness of deposits at all . . . and that changes everything," he told shareholders gathered in Omaha for the company's annual meeting. "You can have a run in a few seconds."

The regulatory disclosure filed on Monday also showed Berkshire exited its positions in US Bancorp and Bank of New York Mellon in the first quarter.

The 2.6 per cent stake Berkshire purchased in Capital One complements its large bet on auto and home lender Ally Financial, which it made last year.

Capital One has not been engulfed by fears denting the banking industry

Berkshire modestly trimmed its position in Ally in the first quarter.

Shares of Capital One jumped in after-hours trading and were up 2.7 per cent at $91.13 at lunchtime in New York yesterday.

Capital One has been increasing its provisions for credit losses as the economy slows and inflation nips at the heels of consumers.

But the company has not been engulfed by the same fears that have weighed on the broader banking industry. Its shares have fallen about 4 per cent this year compared with a 26 per cent drop by the KBW Bank index.

Berkshire also disclosed it had cut its stake in oil major Chevron by about a fifth, selling roughly 35mn shares between its own accounts and an investment portfolio managed by a subsidiary.

The company exited its remaining position in chipmaker Taiwan Semiconductor Manufacturing, with Buffett pointing to the geopolitical tension between Taiwan and China for the share sales this year and last year.

Derivatives

Stand-off between Brussels and London leaves US with bulk of euro swap trades

NIKOU ASGARI — LONDON

The US has cornered the majority of trades in the $100tn euro swap market as the stand-off between London and Brussels over financial services pushed traders to send more of their deals to New York.

The swap market is used by investors to trade derivatives, as a hedge against sudden moves in interest rates and currencies. In March, US venues took just over half of the market, the first time they recorded the majority of activity.

Stock and bond prices shifted rapidly in March as investors fretted over the pace of global interest rate rises while jitters hung over the banking market after the failure of Silicon Valley Bank and Credit Suisse.

As markets moved rapidly, traders in Europe increasingly turned to the US to find a counterparty, according to data from Osttra, a UK post trade services company.

While the US's market share hit 51 per cent, EU venues held a 35 per cent slice of the market, their lowest since December 2020. The UK market slumped to just 14 per cent, Osttra found. Before Brexit, Britain accounted for more than 70 per cent of the market.

The outflow has been accelerated by a stand-off between London and Brussels since the end of the Brexit transition in January 2021, which has fractured the market. Both sides have insisted that the banks and brokers they oversee must trade the most liquid and standard swaps on marketplaces they regulate.

To bolster their markets after Brexit, neither side legally recognised the trading venues in each other's market — though their rules were virtually identical. Unable to use each other's markets, traders have increasingly sent their deals to US venues, known as "swap execution facilities", because Britain and the EU deem American standards legally acceptable.

> 'What's really interesting is some of this will be mandated volume and some voluntary volume'

This has resulted in US-based venues, run by companies such as Tradeweb, Bloomberg and TP ICAP, gobbling up trading that used to happen in Europe.

"March was very busy, there was a lot more activity," said Kirston Winters, chief risk officer at Osttra. "What's really interesting with this widening is some of this will be mandated volume and some of it is voluntary volume."

He added that most marketplace operators "have three versions of themselves now — a US, UK and EU version. They're having to run liquidity pools on each of those. Having to go to lots of places hunting for liquidity can't be a good thing."

The market for euro swaps has swelled in the past year as the European Central Bank has lifted interest rates rapidly to combat inflation. Deals with a notional value of $106tn were struck in the first quarter of the year, according to Isda, the trade body, a 24 per cent jump from the same time last year.

European authorities have been pushing European banks to process more euro derivatives deals in the bloc, rather than through London. But the banks have resisted because they fear it would cost billions of dollars extra and also threaten financial stability.

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DeFi world faces jarring transition to proper oversight

Jonah Crane

Markets Insight

Us regulators have been stepping up scrutiny of decentralised finance, a burgeoning marketplace for crypto assets that operates without meaningful regulatory oversight.

The Securities and Exchange Commission issued a revised proposal last month clarifying that DeFi crypto trading systems should be regulated like stock exchanges. And the US Treasury also issued a paper in April that pointed out the illicit finance risks in DeFi.

These moves are the latest sign that, even as regulators crack down on crypto's centralised intermediaries in the wake of the FTX bankruptcy, they are attempting to prevent DeFi from becoming a crypto haven.

Doing so will challenge the central animating principles underlying DeFi: self-reliance and the credo that "code is law".

The failure of FTX exposed the conflicts inherent in the business model of crypto platforms. These platforms play the role of broker, exchange, market maker and custodian — all required to be independent in traditional markets.

FTX allegedly used customer assets to prop up its affiliated trading firm, putting those assets at risk and, ultimately, resulting in customer losses.

In the wake of FTX, some in the crypto community pointed to DeFi as the answer. In DeFi, market participants maintain custody of their own crypto assets and transact using protocols — a set of code, standards and processes. This happens without the overt participation of centralised intermediaries.

Decentralised exchanges and lending protocols have accounted for more than 10 per cent of daily crypto trading activity at times in 2023.

Regulators around the world, anticipating DeFi as the next frontier in crypto, have studied risks, guided by the principle that risks should be regulated.

The SEC points out that, despite undertaking functions commonly performed by a stock exchange, DeFi trading protocols have not even attempted to comply with securities laws.

But while complying with securities laws is necessary, it is hardly sufficient to make DeFi a trustworthy market.

What would it take? At a minimum, market participants must trust they will receive the basic benefit of their bargain and have recourse if they do not.

DeFi does not adhere to that principle

> Every meaningful financial market in the world provides recourse to investors who are harmed

— and arguably turns it on its head. DeFi purports to replace trust in institutions — intermediaries, laws, regulations — with trust in the DeFi protocols. In DeFi, in other words, "code is law". But, as in a paper by Antonio Weiss, Jonathan Everhart and myself, DeFi has no answer to the simple question: what happens if something goes wrong?

Smart contracts — the "instructions" that enable transactions to be executed on blockchains — will robotically execute the task they are programmed to carry out. However, smart contracts cannot be programmed to address all circumstances that arise in markets.

In traditional markets, participants who suffer harm can seek recourse from intermediaries, regulators and, ultimately, from any counterparty through the legal system. DeFi participants, on the other hand, are expected to accept the outcome even when they are scammed. And DeFi protocols are hacked or exploited on a seemingly daily basis. In 2022 alone, more than $3.1bn of crypto assets were stolen from DeFi protocols, representing more than 80 per cent of all thefts involving crypto assets, according to Chainanalysis.

Ultimately, "code is law" means "caveat emptor". That doctrine, with its sense of self-reliance, resonates with many in the crypto world. But every meaningful financial market in the world provides recourse to investors who are harmed and accountability for actions undermining market integrity.

This would require a sea change in DeFi and puncture its aesthetic of self-reliance, which seems driven by nostalgia for a (largely fictional) time before the purity of markets was disturbed by messy laws designed to bring financial market activities within societal norms.

Indeed, crypto advocates have all but ruled out the possibility of adhering to existing standards, some saying it would actually be impossible.

SEC chair Gary Gensler made clear that approach will fall on deaf ears at the regulator. "Calling yourself a DeFi platform is not an excuse to defy the securities laws," he said last month.

In the end, DeFi is unlikely to flourish if it remains outside regulatory parameters. Yet it is not clear what remains of the concept if it is brought fully within scope. The transition will be jarring for those who believe that laws and regulations can be replaced by trustless markets where code reigns supreme.

Jonah Crane is partner at Klaros Group. Antonio Weiss contributed to this article

The day in the markets

What you need to know

- Wall Street slips as investors await debt ceiling talks
- Dollar weakens and European stocks edge downwards
- Japan's Topix hits highest level in nearly 33 years

Wall Street stocks traded cautiously yesterday as traders looked for signs of a breakthrough to the impasse in Washington over the US debt ceiling.

The benchmark S&P 500 was down 0.3 per cent by midday trading in New York, reversing its gains from the previous session, while the tech-heavy Nasdaq Composite was up 0.2 per cent.

Trading was overshadowed by the possibility that President Joe Biden and Republican House Speaker Kevin McCarthy will not settle on a deal to increase the nation's spending limit by the end of today's meeting.

The US could default on its debt as early as next month if no deal is reached.

There is "little chance that there would be an agreement today", said Nadège Dufossé, head of asset allocation at Candriam, an asset manager. "Bottom line, no agreement means higher rates and a negative impact on equities."

Yields on interest rate-sensitive two-year Treasury notes rose 10 basis points to 4.1 per cent while those on benchmark 10-year bonds gained 5bp to 3.98 per cent as prices fell.

Those on one-month Treasury bills dipped 7bp, having hit 5.53 per cent on Monday, their highest levels since before the financial crisis in 2007.

"It's clear that investors are still nervous about the issue," said Deutsche Bank strategist Jim Reid. "That's a big kink at the front of the yield curve, centred around the one-month mark, which is when fears of a potential default are at their highest," he added.

The US Dollar index, a measure of the strength of the currency against a basket of six peers, lost 0.2 per cent.

Across the Atlantic, the region-wide Stoxx Europe 600 fell 0.4 per cent while Germany's Xetra Dax lost 0.1 per cent and the CAC 40 in Paris shed 0.2 per cent.

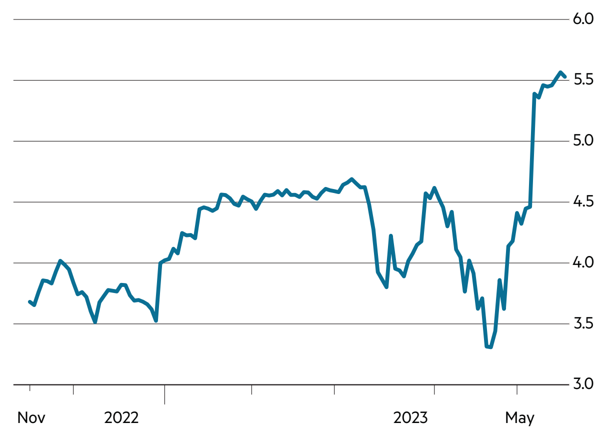
The moves came after Germany's Zew indicator — a gauge of economic sentiment for the eurozone's largest economy — plummeted from 4.1 to minus 10.7 in the month to May, its lowest level this year. The reading was well below the forecast of economists polled by Reuters.

"It seems as if investors in Europe are following the paradoxical pattern that bad news on the economy is good news on rates as it would stop the European Central Bank [raising rates]," said Carsten Brzeski, global head of macro at ING.

Tokyo's Topix gained 0.6 per cent and climbed to its highest level in almost 33 years as improvements in corporate governance make Tokyo more attractive to foreign investors. **Daria Mosolova**

Short-term yields rise as US debt ceiling crunch nears

One-month Treasury bills (%)



Source: Bloomberg

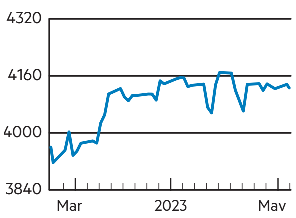
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4126.14	1839.35	29842.99	7751.08	3290.99	109071.31
% change on day	-0.25	-0.40	0.73	-0.34	-0.60	0.04
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.393	1.087	136.505	1.250	6.964	4.916
% change on day	-0.040	0.000	0.264	-0.080	0.173	0.143
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.562	2.350	0.391	3.956	2.749	11.265
Basis point change on day	6.220	4.400	-1.230	0.500	-0.700	-19.200
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	428.58	75.02	70.97	2019.90	23.89	3724.10
% change on day	-0.37	-0.28	-0.20	0.00	0.15	0.09

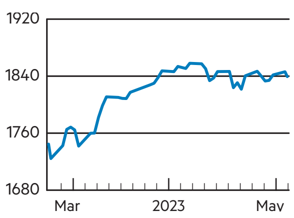
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

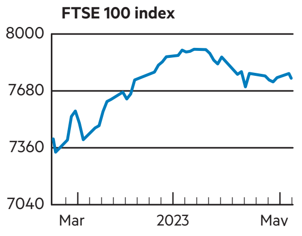
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Advanced Micro Devices	5.18	Airbus	2.71	Dcc	2.81
	Ge Healthcare	2.70	Alstom	2.49	Land Securities	2.35
	Amazon.com	2.56	Safran	2.13	Rolls-royce Holdings	2.10
	Capital One Fin	2.43	Infineon Tech	1.90	Centrica	1.79
	Alphabet	2.06	Asml Holding	1.39	Compass	1.52
Downs	Etsy	-5.76	Kbc	-6.39	Vodafone	-7.44
	Generac Holdings	-5.05	Bouygues	-3.71	Ocado	-3.90
	Paramount Global	-4.78	Erste Bank	-3.34	Kingfisher	-3.04
	Mohawk Industries	-4.52	Kone	-2.84	Jd Sports Fashion	-2.49
	Aes	-4.50	Solvay	-2.72	Admiral	-2.40

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Advanced Micro Devices headed the S&P 500 index following news that hedge fund Third Point had taken a new position in the chipmaker during the first quarter.

A regulatory filing revealed that the activist investor had bought a million shares.

A regulatory disclosure also buoyed **Capital One** after Warren Buffett's Berkshire Hathaway placed a $954mn bet on the credit card and banking group earlier this year, according to a filing.

Do-it-yourself chain **Home Depot** sank after reporting sales of $37.3bn for its fiscal first quarter, down 4.2 per cent year on year and almost 3 per cent below Wall Street estimates.

Ted Decker, chief executive, admitted revenue was "below our expectations primarily driven by lumber deflation and unfavourable weather, particularly in our western division".

This led to a downgrade in Home Depot's annual guidance.

Home improvement rival **Lowe's** also dipped following the update.

Some positive data lifted **Coya Therapeutics**.

The clinical-stage biotech group reported promising results in an open-label, proof-of-concept study looking at its experimental treatment for patients suffering from Alzheimer's. *Ray Douglas*

Europe

A downgrade to its guidance sent Sweden's **Embracer** diving, with the video games group forecasting adjusted operating profit of SKr6.35bn ($610mn) for its 2022-23 year, well below a previous range of SKr8bn to SKr10bn.

Embracer said the shortfall was primarily due to not closing "transformative partnership and licensing deals", an issue flagged in March when it revealed that some agreements it had hoped to sign before its fiscal year-end would be delayed.

What concerned Citi was that Embracer had "not made any comment on the outlook for 2024" as its analysts expected the 2023 shortfall to be added to a 2024 forecast, "leaving the two-year profile unchanged".

Germany's **Hornbach** fell sharply after saying it could not rule out a 5 to 15 per cent decline in adjusted consolidated operating earnings for its 2023-24 financial year.

The do-it-yourself store chain said "extraordinarily bad weather conditions at the start of the main DIY season" alongside "inflation and product pricing dynamics" meant the retailer remained cautious on its outlook.

Swiss hearing aid group **Sonova** sank after issuing 2023 guidance that implied a possible low-teen downgrade to consensus earnings, said Citi. *Ray Douglas*

London

Near the top of the FTSE 100 index was **Landsec**, the property developer, which reported net tangible assets of 936p per share, comfortably ahead of Panmure's forecast of 869p and a consensus of 920p.

Russ Mould, investment director at AJ Bell, said shareholders were also "pleased to see rental income increase and the vacancy rate decline, on a like-for-like basis" in the year-end update.

At the opposite end of the blue-chip benchmark was telecoms operator **Vodafone**, which forecast adjusted free cash flow of around €3.3bn for its 2024 financial year, missing a consensus estimate of €3.6bn, said Citi.

Margherita Della Valle, the new chief executive, said Vodafone's performance had "not been good enough" as she announced plans to cut 11,000 jobs during the next three years.

Fast-fashion retailer **Boohoo** rallied despite posting a pre-tax loss of £90.7mn for the year ended February 28 against a profit of £7.8mn 12 months earlier.

However, chief executive John Lyttle said he saw a "clear path to improved profitability" with adjusted core profits of between £69mn to £78mn for its next financial year.

This range implied a 4.3 per cent margin, topping the 3.7 per cent estimate of RBC Europe. *Ray Douglas*

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

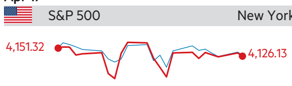
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.25%	0.27%	-0.63%	-0.34%	-0.40%	0.73%	0.04%	-0.37%	No change	-0.080%	0.264%	0.115%	0.27%	No change

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

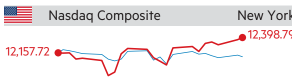
Apr 17 - - (Index / All World)

S&P 500 — New York



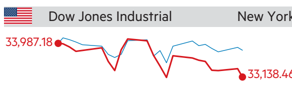
Day -0.25% Month -0.28% Year 2.94%

Nasdaq Composite — New York



Day 0.27% Month 2.28% Year 6.32%

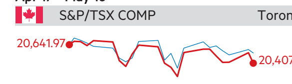
Dow Jones Industrial — New York



Day -0.63% Month -2.23% Year 2.81%

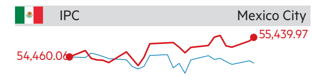
Apr 17 - May 16 (Index / All World)

S&P/TSX COMP — Toronto



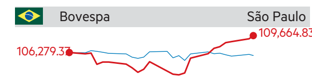
Day -1.13% Month -1.33% Year 0.50%

IPC — Mexico City



Day 0.18% Month 1.65% Year 9.48%

Bovespa — São Paulo

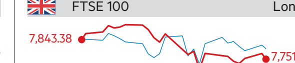


Day 0.04% Month 2.65% Year 0.80%

EUROPE

Apr 17 - May 16 (Index / All World)

FTSE 100 — London

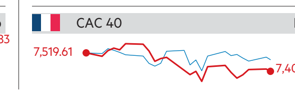


Day -0.34% Month -1.52% Year 3.85%

FTSE Eurofirst 300 — Europe

Day -0.40% Month -0.44% Year 8.26%

CAC 40 — Paris



Day -0.16% Month -1.51% Year 16.40%

Apr 17 - May 16 (Index / All World)

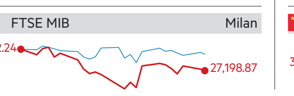
Xetra Dax — Frankfurt

Day -0.12% Month -0.34% Year NaN%

Ibex 35 — Madrid

Day -0.11% Month -1.83% Year 10.23%

FTSE MIB — Milan

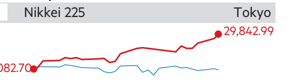


Day -0.17% Month -2.42% Year 13.10%

ASIA

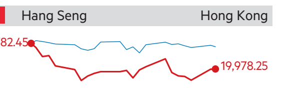
Apr 17 - May 16 (Index / All World)

Nikkei 225 — Tokyo



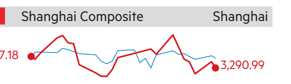
Day 0.73% Month 4.78% Year 12.97%

Hang Seng — Hong Kong



Day 0.04% Month -2.31% Year 0.34%

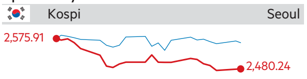
Shanghai Composite — Shanghai



Day -0.60% Month -1.41% Year 6.70%

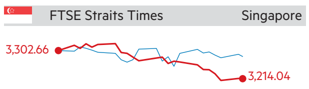
Apr 17 - May 16 (Index / All World)

Kospi — Seoul



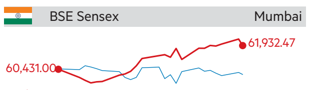
Day 0.04% Month -3.55% Year -4.76%

FTSE Straits Times — Singapore



Day -0.02% Month -2.78% Year 0.62%

BSE Sensex — Mumbai



Day -0.66% Month 2.46% Year 17.28%

Country	Index	Latest	Previous
Argentina	Merval	321054.67	320582.83
Australia	All Ordinaries	7424.10	7460.50
	S&P/ASX 200	7234.70	7267.10
	S&P/ASX 200 Res	5993.60	5994.10
Austria	ATX	3131.38	3176.23
Belgium	BEL 20	3688.89	3750.08
	BEL Mid	9967.36	10013.42
Brazil	IBovespa	109071.31	109029.12
Canada	S&P/TSX 60	1226.23	1240.66
	S&P/TSX Comp	20308.85	20539.97
	S&P/TSX Div Met & Min	1860.66	1814.81
Chile	S&P/CLX IGPA Gen	28795.05	28615.31
China	FTSE A200	10493.17	10534.00
	FTSE B35	9000.71	8988.96
	Shanghai A	3449.75	3470.46
	Shanghai B	289.27	289.94
	Shanghai Comp	3290.99	3310.74
	Shenzhen A	2112.46	2127.56
	Shenzhen B	1184.57	1187.35
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29

Country	Index	Latest	Previous
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1342.54	1345.10
Denmark	OMXC Copenahgen 20	2109.01	2130.72
Egypt	EGX 30	17135.55	17369.13
Estonia	OMX Tallinn	1909.12	1899.86
Finland	OMX Helsinki General	10397.79	10517.31
France	CAC 40	7406.01	7418.21
	SBF 120	5641.86	5651.76
Germany	M-DAX	27319.70	27386.78
	TecDAX	3238.31	3234.14
	XETRA Dax	15897.93	15917.24
Greece	Athens Gen	1136.44	1121.65
	FTSE/ASE 20	2777.39	2730.92
Hong Kong	Hang Seng	19978.25	19971.13
	HS China Enterprise	6789.37	6780.08
	HSCC Red Chip	4069.14	4078.76
Hungary	Bux	45848.12	45929.11
India	BSE Sensex	61932.47	62345.71
	Nifty 500	15492.40	15549.70
Indonesia	Jakarta Comp	6676.56	6711.74
Ireland	ISEQ Overall	8632.37	8629.33
Israel	Tel Aviv 125	1803.36	1811.23

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	29335.71	29383.16
	FTSE Italia Mid Cap	43187.95	43189.74
	FTSE MIB	27198.87	27245.46
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	29842.99	29626.34
	S&P Topix 150	1828.83	1818.36
	Topix	2127.18	2114.85
Jordan	Amman SE	2487.81	2481.72
Kenya	NSE 20	1472.21	1472.21
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1146.83	1146.83
Lithuania	OMX Vilnius	1010.33	1009.70
Luxembourg	LuxX	1481.66	1497.02
Malaysia	FTSE Bursa KLCI	1423.50	1417.37
Mexico	IPC	55362.38	55261.42
Morocco	MASI	10733.63	10578.97
Netherlands	AEX	756.22	756.18
	AEX All Share	1025.05	1025.56
New Zealand	NZX 50	11945.87	11937.60
Nigeria	SE All Share	52214.62	52161.24
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	42006.25	41718.43

Country	Index	Latest	Previous
Philippines	Manila Comp	6588.90	6578.15
Poland	Wig	63912.23	63691.31
Portugal	PSI 20	6113.80	6094.77
	PSI General	4674.11	4674.47
Romania	BET Index	12147.52	12039.54
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11230.20	11348.43
Singapore	FTSE Straits Times	3214.04	3214.72
Slovakia	SAX	311.06	309.31
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	77973.02	78261.65
	FTSE/JSE Res 20	68819.72	69599.97
	FTSE/JSE Top 40	72652.62	72918.29
South Korea	Kospi	2480.24	2479.35
	Kospi 200	325.31	324.46
Spain	IBEX 35	9191.40	9201.50
Sri Lanka	CSE All Share	8823.01	8906.20
Sweden	OMX Stockholm 30	2236.25	2251.24
	OMX Stockholm AS	841.02	849.34
Switzerland	SMI Index	11519.87	11578.25

Country	Index	Latest	Previous
Taiwan	Weighted Pr	15673.90	15475.05
Thailand	Bangkok SET	1540.77	1542.05
Turkey	BIST 100	4545.48	4501.21
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2828.20	2844.20
	FTSE 100	7751.08	7777.70
	FTSE 4Good UK	7095.08	7115.60
	FTSE All Share	4224.76	4236.96
	FTSE techMARK 100	6915.06	6898.03
USA	DJ Composite	10962.27	11062.49
	DJ Industrial	33138.46	33348.60
	DJ Transport	13720.48	13846.45
	DJ Utilities	926.12	945.53
	Nasdaq 100	13488.95	13413.51
	Nasdaq Cmp	12398.79	12365.21
	NYSE Comp	15189.88	15322.56
	S&P 500	4126.14	4136.28
	Wilshire 5000	40668.13	40818.14
Venezuela	IBC	33033.13	33272.05
Vietnam	VNI	1065.91	1065.71

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	470.63	468.80
	Euro Stoxx 50 (Eur)	4317.61	4316.41
	Euronext 100 ID	1366.42	1369.54
	FTSE 4Good Global ($)	10552.42	10564.13
	FTSE All World ($)	428.58	430.16
	FTSE E300	1839.35	1846.70
	FTSE Eurotop 100	3652.54	3662.82
	FTSE Global 100 ($)	2807.47	2804.55
	FTSE Gold Min ($)	2062.93	2034.36
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2928.57	2918.41
	FTSE World ($)	779.91	782.94
	FTSEurofirst 100 (Eur)	4922.78	4933.06
	FTSEurofirst 80 (Eur)	5854.69	5858.90
	MSCI ACWI Fr ($)	651.63	649.22
	MSCI All World ($)	2819.47	2809.35
	MSCI Europe (Eur)	1887.07	1884.41
	MSCI Pacific ($)	2772.03	2758.22
	S&P Euro (Eur)	1910.52	1914.08
	S&P Europe 350 (Eur)	1885.39	1893.77
	S&P Global 1200 ($)	3109.25	3118.21
	Stoxx 50 (Eur)	4036.16	4045.38

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Advanced Micro Devices	50.2	102.45	5.05
Tesla	47.3	167.47	1.12
Apple	35.8	172.22	0.15
Amazon.com	32.3	114.05	2.85
Nvidia	28.2	292.22	2.69
Microsoft	20.9	312.26	2.80
Home Depot	16.6	282.37	-6.17
Meta Platforms	12.5	237.88	-0.98
Alphabet	11.1	118.91	2.40
Alphabet	8.0	119.32	2.36

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Advanced Micro Devices	102.45	5.05	5.18
Ge Healthcare	76.95	2.02	2.70
Amazon.com	114.05	2.85	2.56
Capital One Fin	91.29	2.17	2.43
Alphabet	118.91	2.40	2.06
Downs			
Etsy	92.22	-5.64	-5.76
Generac Holdings	110.79	-5.89	-5.05
Paramount Global	15.06	-0.76	-4.78
Mohawk Industries	92.14	-4.36	-4.52
Aes	21.00	-0.99	-4.50

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Vodafone	195.2	83.33	-6.70
Bp	135.5	475.95	-5.75
Shell	128.5	2384.50	-27.50
Haleon	109.1	346.55	1.00
Astrazeneca	108.2	12070.00	70.00
Gsk	101.0	1466.00	-3.60
Lloyds Banking	98.9	45.70	-0.57
Diageo	98.7	3553.50	15.50
Rio Tinto	95.6	4916.50	-46.50
Unilever	95.5	4343.00	9.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Aston Martin Lagonda Global Holdings	215.60	7.80	3.75
Playtech	633.00	19.00	3.09
Tritax Eurobox	69.30	2.00	2.97
Syncona	154.00	4.40	2.94
Dcc	4785.00	131.00	2.81
Downs			
Capricorn Energy	205.10	-256.05	-55.52
Vodafone	83.33	-6.70	-7.44
Ocado	414.20	-16.80	-3.90
Currys	55.50	-2.15	-3.73
Tullow Oil	22.60	-0.86	-3.67

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Roche Gs	252.4	289.89	-2.00
Inditex	231.0	30.92	-0.33
Nestle N	227.5	117.54	-0.41
Novartis N	223.6	94.99	0.01
Asml Holding	221.4	603.90	8.30
Novo Nordisk B A/s	208.8	153.80	-2.23
Unicredit	176.3	18.87	0.10
Stellantis	162.5	14.69	-0.17
Enel	146.6	6.02	0.00
Lvmh	142.8	875.90	-5.20

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Airbus	126.40	3.34	2.71
Safran	142.62	2.98	2.13
Stmicroelectronics	39.41	0.67	1.73
Infineon Tech.ag Na O.n.	34.09	0.48	1.43
Asml Holding	603.90	8.30	1.39
Downs			
Mowi	16.11	-0.42	-2.52
Volkswagen Ag Vzo O.n.	116.68	-2.06	-1.73
A.p. M__ller - M__rsk B A/s	1612.01	-28.20	-1.72
A.p. M__ller - M__rsk A A/s	1588.51	-24.17	-1.50
Novo Nordisk B A/s	153.80	-2.23	-1.43

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Mitsubishi Ufj Fin,.	1158.8	909.50	24.60
Tokyo Electron	745.9	16860.00	685.00
Sumitomo Mitsui Fin,.	684.0	5735.00	-66.00
Rakuten .	550.8	610.00	-33.00
Nippon Telegraph And Telephone	490.6	4161.00	-38.00
Softbank .	414.2	4999.00	49.00
Fast Retailing Co.,	403.1	32270.00	320.00
Recruit Hldgs Co Ltd	388.9	4010.00	134.00
Keyence	386.9	67230.00	1010.00
Advantest	381.5	12810.00	670.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Kajima	2000.00	114.00	6.04
Advantest	12810.00	670.00	5.52
T&d Holdings, .	1884.00	91.00	5.08
Renesas Electronics	2041.00	97.50	5.02
Tokyo Electron	16860.00	685.00	4.23
Downs			
Konica Minolta Holdings, .	494.00	-48.00	-8.86
Dentsu .	4550.00	-410.00	-8.27
Sumitomo Dainippon Pharma Co Ltd	747.00	-57.00	-7.09
Japan Post Holdings Co Ltd	1060.50	-78.50	-6.89
Mitsui Eng & Shipbuilding Co.,	514.00	-32.00	-5.86

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	May 16 price(p)	%Chg week	%Chg ytd
Winners			
Melrose Industries	467.40	11.2	16.9
Compass	2200.00	6.5	14.7
3i	1885.50	6.5	40.6
Centrica	119.65	4.4	23.8
Halma	2478.00	3.8	25.5
Jd Sports Fashion	170.25	3.5	35.0
Beazley	610.50	3.4	-
Smith & Nephew	1299.00	3.3	17.1
Convatec	218.00	3.2	-6.0
Coca-cola Hbc Ag	2565.00	2.5	30.1
Standard Chartered	619.80	2.5	-0.4
Haleon	346.55	2.3	5.9
Losers			
Ocado	414.20	-12.8	-32.8
Vodafone	83.33	-11.6	-1.1
Fresnillo	673.00	-6.1	-
Kingfisher	242.30	-5.0	2.6
Tesco	270.90	-4.8	20.8
Imperial Brands	1839.00	-4.4	-
Antofagasta	1404.00	-4.0	-9.2
Anglo American	2365.50	-3.5	-
Intertek	4089.00	-3.3	1.4
Glencore	432.10	-3.2	-
British American Tobacco	2720.00	-2.9	-
Prudential	1143.00	-2.7	1.4

FTSE 250	May 16 price(p)	%Chg week	%Chg ytd
Winners			
Diploma	2954.00	11.3	6.4
Bank Of Georgia	3375.00	9.2	29.6
Target Healthcare Reit	82.40	9.1	2.7
Mitchells & Butlers	195.10	7.9	41.4
Tritax Eurobox	69.30	7.6	12.9
Telecom Plus	1822.00	6.9	-
Playtech	633.00	6.4	24.4
Hg Capital Trust	375.50	6.1	7.1
Vistry	816.50	5.9	30.5
Marshalls	287.60	5.7	5.3
4imprint	4475.00	5.5	5.3
Uk Commercial Property Reit	54.90	5.4	-6.0
Losers			
Asos	398.90	-37.3	-
Wood (john)	139.20	-36.3	3.0
Petershill Partners	146.60	-12.3	-
Tullow Oil	22.60	-12.0	-
Iwg	150.40	-9.9	-9.4
Jupiter Fund Management	118.60	-7.3	-
Ibstock	165.40	-6.2	6.8
Ninety One	172.40	-6.1	-7.3
Capricorn Energy	205.10	-6.1	-21.7
Bridgepoint	221.80	-6.0	16.4
Tui Ag	528.80	-6.0	43.1
Hunting	207.00	-5.7	-

FTSE SmallCap	May 16 price(p)	%Chg week	%Chg ytd
Winners			
Abrdn Eur Logistics ome	78.80	12.4	15.0
Int Personal Finance	106.00	8.4	45.0
Fisher (james) & Sons	378.00	8.0	-3.2
Treatt	700.00	7.9	12.3
Hostelworld	145.00	7.4	25.9
Oxford Biomedica	430.50	7.4	-2.7
Residential Secure ome	68.00	5.9	-19.0
Impact Healthcare Reit	101.80	5.4	-3.0
Blackrock Latin American Investment Trust	379.00	5.0	-0.3
Triple Point Social Housing Reit	55.60	4.7	-9.5
Nanoco	18.06	4.4	-
888 Holdings	81.60	4.1	-6.2
Losers			
On The Beach	109.40	-12.1	-28.7
Pod Point Holdings	73.80	-11.7	21.0
Costain	53.20	-9.8	35.1
Invesco Select Trust	158.00	-9.5	-4.5
Reach	75.80	-9.3	-
Kin And Carta	77.40	-7.3	-
Ao World	71.70	-7.0	37.9
Lsl Property Services	279.00	-7.0	11.6
Capita	31.92	-7.0	31.6
Helical	275.50	-6.5	-
Chrysalis Investments	60.70	-6.0	-
Metro Bank	93.00	-5.4	-

Industry Sectors	May 16 price(p)	%Chg week	%Chg ytd
Winners			
General Retailers	3859.38	6.5	14.7
Automobiles & Parts	1715.83	2.8	15.3
Household Goods	12028.53	2.2	21.3
Industrial Transportation	3474.29	1.9	0.5
Electricity	11444.01	1.7	7.4
Electronic & Electrical Equip.	10387.14	1.3	20.0
General Financial	13467.82	1.2	16.7
Pharmaceuticals & Biotech.	22317.59	1.1	6.0
Nonlife Insurance	3191.51	1.1	-4.5
Banks	3570.66	0.9	8.7
Real Estate Investment Trusts	2274.81	0.9	1.8
General Industrials	6462.74	0.9	6.7
Losers			
Mobile Telecommunications	2279.82	-7.7	7.0
Tobacco	29983.69	-3.2	-
Industrial Metals	6267.51	-3.0	-
Mining	11247.79	-2.6	0.8
Beverages	27620.38	-1.7	-0.7
Food Producers	6567.87	-1.5	15.8
Life Insurance	6846.10	-1.1	-2.8
Food & Drug Retailers	4444.17	-1.0	7.7
Chemicals	11367.25	-0.9	-3.2
Oil & Gas Producers	8219.44	-0.8	1.3
Media	9618.77	-0.4	6.0
Industrial Engineering	14446.59	-0.2	4.5

Based on last week's performance. †Price at suspension.

CURRENCIES

May 16	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	231.1788	0.5538	251.2103	0.6235	288.8796	0.3675
Australia	Australian Dollar	1.5009	0.0056	1.6310	0.0062	1.8756	0.0049
Bahrain	Bahrainin Dinar	0.3770	-	0.4097	0.0000	0.4711	-0.0005
Bolivia	Bolivian Boliviano	6.9100	-	7.5087	0.0007	8.6347	-0.0097
Brazil	Brazilian Real	4.9162	0.0070	5.3422	0.0081	6.1433	0.0018
Canada	Canadian Dollar	1.3457	-0.0035	1.4623	-0.0036	1.6816	-0.0062
Chile	Chilean Peso	793.6900	10.6400	862.4628	11.6359	991.7903	12.1941
China	Chinese Yuan	6.9642	0.0121	7.5676	0.0138	8.7024	0.0053
Colombia	Colombian Peso	4525.9550	11.7050	4918.1279	13.1448	5655.6064	8.2754
Costa Rica	Costa Rican Colon	537.8450	-	584.4490	0.0508	672.0879	-0.7567
Czech Republic	Czech Koruna	21.7867	0.0481	23.6745	0.0544	27.2245	0.0296
Denmark	Danish Krone	6.8534	-0.0013	7.4472	-0.0008	8.5640	-0.0113
Egypt	Egyptian Pound	30.8969	0.0184	33.5741	0.0229	38.6085	-0.0204
Hong Kong	Hong Kong Dollar	7.8379	-0.0013	8.5170	-0.0007	9.7941	-0.0127
Hungary	Hungarian Forint	338.8856	-1.0896	368.2499	-1.1519	423.4694	-1.8399
India	Indian Rupee	82.2144	-0.0918	89.3382	-0.0920	102.7346	-0.2306

May 16	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Indonesia	Indonesian Rupiah	14820.0000	20.0000	16104.1488	23.1261	18518.9986	4.1831
Israel	Israeli Shekel	3.6543	-0.0081	3.9709	-0.0085	4.5664	-0.0153
Japan	Japanese Yen	136.5050	0.3600	148.3331	0.4041	170.5758	0.2583
..One Month		136.5043	0.3586	148.3326	0.4031	170.5751	0.2568
..Three Month		136.5031	0.3562	148.3318	0.4014	170.5737	0.2541
..One Year		136.4979	0.3459	148.3275	0.3931	170.5751	0.2490
Kenya	Kenyan Shilling	137.2500	0.1500	149.1426	0.1759	171.5068	-0.0055
Kuwait	Kuwaiti Dinar	0.3071	0.0002	0.3337	0.0002	0.3837	-0.0002
Malaysia	Malaysian Ringgit	4.4990	0.0015	4.8888	0.0021	5.6219	-0.0045
Mexico	Mexican Peso	17.4695	-0.1075	18.9832	-0.1152	21.8298	-0.1591
New Zealand	New Zealand Dollar	1.6037	-0.0049	1.7427	-0.0052	2.0040	-0.0084
Nigeria	Nigerian Naira	461.5000	-	501.4887	0.0436	576.6876	-0.6493
Norway	Norwegian Krone	10.7100	0.0791	11.6380	0.0870	13.3831	0.0839
Pakistan	Pakistani Rupee	284.9000	0.1000	309.5864	0.1356	356.0093	-0.2757
Peru	Peruvian Nuevo Sol	3.6684	0.0136	3.9863	0.0151	4.5840	0.0119
Philippines	Philippine Peso	56.0650	-0.0110	60.9230	-0.0067	70.0585	-0.0926

May 16	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Poland	Polish Zloty	4.1320	-0.0183	4.4900	-0.0195	5.1633	-0.0287
Romania	Romanian Leu	4.5528	0.0049	4.9472	0.0057	5.6891	-0.0003
Russia	Russian Ruble	80.6500	1.0750	87.6383	1.1757	100.7797	1.2314
Saudi Arabia	Saudi Riyal	3.7500	-0.0001	4.0749	0.0002	4.6860	-0.0054
Singapore	Singapore Dollar	1.3394	0.0016	1.4555	0.0018	1.6737	0.0001
South Africa	South African Rand	19.0713	0.0237	20.7238	0.0276	23.8313	0.0029
South Korea	South Korean Won	1338.5500	1.6500	1454.5347	1.9191	1672.6441	0.1810
Sweden	Swedish Krona	10.4049	0.0423	11.3065	0.0469	13.0019	0.0383
Switzerland	Swiss Franc	0.8961	0.0006	0.9738	0.0007	1.1198	-0.0005
Taiwan	New Taiwan Dollar	30.8035	-0.0105	33.4726	-0.0085	38.4919	-0.0565
Thailand	Thai Baht	33.9600	0.1750	36.9026	0.1934	42.4362	0.1711
Tunisia	Tunisian Dinar	3.0701	0.0004	3.3361	0.0007	3.8364	-0.0038
Turkey	Turkish Lira	19.7180	0.0445	21.4266	0.0502	24.6395	0.0279
United Arab Emirates	UAE Dirham	3.6722	0.0002	3.9904	0.0005	4.5888	-0.0050
United Kingdom	Pound Sterling	0.8003	0.0009	0.8696	0.0011	-	-
..One Month		0.8003	0.0009	0.8695	0.0011	-	-

May 16	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
..Three Month		0.8005	0.0009	0.8693	0.0011	-	-
..One Year		0.8005	0.0010	0.8684	0.0011	-	-
United States	United States Dollar	-	-	1.0866	0.0001	1.2496	-0.0014
..One Month		-	-	1.0864	-0.1643	1.2497	-0.0014
..Three Month		-	-	1.0861	-0.1644	1.2498	-0.0014
..One Year		-	-	1.0850	-0.1644	1.2498	-0.0013
Vietnam	Vietnamese Dong	23452.5000	-6.5000	25484.6544	-4.8719	29306.1763	-41.1107
European Union	Euro	0.9203	-0.0001	-	-	1.1500	-0.0014
..One Month		0.9201	-0.0001	-	-	1.1498	-0.0014
..Three Month		0.9197	-0.0001	-	-	1.1497	-0.0014
..One Year		0.9186	-0.0001	-	-	1.1487	-0.0014

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg May 16	Day's chge%	Euro Index	£ Strlg May 15	£ Strlg May 12	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7751.08	-0.34	6944.55	7777.70	7754.62	7464.80	3.65	1.78	15.37	129.51	8098.63
FTSE 250 (250)	19272.72	0.07	17267.31	19258.75	19188.37	19924.11	3.26	0.89	34.64	234.15	16249.71
FTSE 250 ex Inv Co (170)	19930.25	0.04	17856.42	19922.92	19848.87	20594.48	3.36	1.17	25.36	248.11	17152.17
FTSE 350 (350)	4268.69	-0.28	3824.52	4280.84	4267.72	4154.12	3.59	1.67	16.68	68.60	8845.35
FTSE 350 ex Investment Trusts (267)	4219.79	-0.30	3780.70	4232.54	4219.63	4090.21	3.64	1.81	15.15	69.13	4520.45
FTSE 350 Higher Yield (135)	3608.24	-0.61	3232.78	3630.37	3615.86	3647.22	4.98	1.73	11.63	74.73	8475.82
FTSE 350 Lower Yield (215)	4510.38	0.04	4041.06	4508.40	4498.80	4220.78	2.20	1.54	29.47	51.52	5620.63
FTSE SmallCap (228)	6237.80	-0.46	5588.73	6266.58	6253.29	6597.42	3.54	-0.50	-56.78	84.79	10650.26
FTSE SmallCap ex Inv Co (120)	5070.55	-0.51	4542.93	5096.30	5089.42	5570.02	3.64	1.57	17.50	70.16	9002.50
FTSE All-Share (578)	4224.76	-0.29	3785.15	4236.96	4224.06	4120.34	3.59	1.62	17.20	67.66	8839.81
FTSE All-Share ex Inv Co (387)	4142.17	-0.30	3711.16	4154.80	4142.21	4022.27	3.64	1.81	15.18	67.72	4505.13
FTSE All-Share ex Multinationals (517)	1102.64	-0.44	819.94	1107.49	1102.06	1149.71	4.00	1.07	23.47	17.37	2389.02
FTSE Fledgling (78)	11578.21	-0.02	10373.45	11580.26	11549.31	12585.61	3.22	-1.15	-26.98	131.62	25414.62
FTSE Fledgling ex Inv Co (30)	15607.06	-0.05	13983.07	15615.33	15572.63	17620.90	3.51	6.21	4.59	226.62	33334.62
FTSE All-Small (306)	4349.40	-0.43	3896.82	4368.37	4358.97	4606.55	3.52	-0.53	-53.43	58.57	9523.61
FTSE All-Small ex Inv Co (150)	3817.73	-0.49	3420.48	3836.45	3831.06	4197.89	3.64	1.74	15.77	52.90	8584.28
FTSE AIM All-Share (721)	812.04	-0.34	727.54	814.85	816.96	955.58	1.78	1.57	35.62	4.66	960.29
FTSE All-Share Technology (18)	2048.96	0.38	1762.44	2041.26	2043.95	1785.07	1.86	1.53	35.07	15.02	2991.46
FTSE All-Share Telecommunications (6)	1461.86	-5.01	1257.44	1538.95	1531.89	1944.88	7.21	1.07	12.93	1.03	2247.40
FTSE All-Share Health Care (14)	15586.72	0.34	13407.08	15533.71	15536.83	14947.78	2.34	1.12	38.02	185.25	14616.84
FTSE All-Share Financials (254)	4755.02	-0.55	4090.08	4781.45	4742.14	4458.38	3.97	1.28	19.68	121.53	5429.58
FTSE All-Share Real Estate (54)	834.51	0.46	750.91	830.71	817.66	1074.67	4.29	0.69	33.61	13.80	895.86
FTSE All-Share Consumer Discretionary (83)	5197.90	0.05	4471.03	5195.52	5175.81	4679.12	2.18	1.25	36.83	48.79	5568.28
FTSE All-Share Consumer Staples (22)	19408.54	0.10	16694.46	19389.11	19420.51	19732.17	4.00	1.61	15.51	253.08	18097.71
FTSE All-Share Industrials (84)	6850.77	0.22	5892.77	6835.82	6838.87	6067.01	2.25	1.22	36.50	69.81	8019.09
FTSE All-Share Basic Materials (21)	7659.63	-0.99	6588.52	7736.02	7656.81	8683.33	6.65	3.43	4.39	247.51	10761.23
FTSE All-Share Energy (14)	8496.72	-1.15	7308.54	8595.64	8610.51	8175.93	3.93	1.78	14.33	122.39	10477.86
FTSE All-Share Utilities (8)	9601.25	0.19	8258.62	9582.71	9565.22	9755.08	4.08	0.96	25.41	42.27	14729.41
FTSE All-Share Software and Computer Services (16)	2217.92	0.38	1907.77	2209.44	2212.39	1920.40	1.85	1.55	34.93	15.79	3425.16
FTSE All-Share Technology Hardware and Equipment (2)	4172.12	-0.07	3588.69	4175.21	4175.83	4917.27	3.14	0.65	49.12	89.37	5524.26
FTSE All-Share Telecommunications Equipment (1)	399.91	0.06	343.99	399.69	397.45	502.51	3.51	2.14	13.28	9.21	585.25
FTSE All-Share Telecommunications Service Providers (5)	2276.37	-5.16	1958.04	2400.32	2389.40	3031.41	7.33	1.06	12.91	0.00	3188.27
FTSE All-Share Health Care Providers (3)	11448.97	0.64	9847.95	11376.02	11355.03	8741.06	0.51	7.04	27.92	0.00	10626.50
FTSE All-Share Medical Equipment and Services (2)	6170.39	0.57	5307.52	6135.42	6114.09	6170.13	2.44	1.16	35.22	92.56	6060.98
FTSE All-Share Pharmaceuticals and Biotechnology (9)	22253.58	0.33	19141.65	22181.42	22190.92	21335.11	2.35	1.11	38.34	263.42	18790.23
FTSE All-Share Banks (12)	3522.48	-0.72	3029.90	3547.86	3493.96	3063.49	4.56	2.65	8.26	136.04	3236.75
FTSE All-Share Finance and Credit Services (8)	11603.09	0.15	9980.52	11585.56	11692.13	9985.72	1.85	1.91	28.24	148.60	15808.54
FTSE All-Share Investment Banking and Brokerage Services (31)	9092.36	-0.31	7820.89	9120.96	9055.49	8840.38	4.92	2.06	9.85	177.30	13107.66
FTSE All-Share Closed End Investments (191)	11394.85	-0.04	9801.40	11399.15	11362.08	11860.27	2.86	-2.20	-15.92	122.72	7223.66
FTSE All-Share Life Insurance (6)	6964.80	-1.66	5990.84	7082.23	7022.41	6558.65	4.62	0.57	37.74	215.96	8793.86
FTSE All-Share Nonlife Insurance (6)	3599.09	-1.10	3095.80	3639.00	3627.75	3445.33	4.67	1.24	17.33	56.37	7786.30
FTSE All-Share Real Estate Investment and Services (10)	2179.88	-0.04	1875.05	2180.74	2163.08	2510.29	2.26	3.07	14.39	21.39	6591.34
FTSE All-Share Real Estate Investment Trusts (44)	2061.38	0.55	1773.12	2050.08	2014.95	2709.73	4.67	0.48	44.78	36.73	3193.46
FTSE All-Share Automobiles and Parts (3)	1724.62	1.03	1483.45	1706.98	1685.11	2252.24	0.25	-26.35	-15.32	0.00	1794.20
FTSE All-Share Consumer Services (1)	3626.48	1.52	3119.36	3572.09	3555.60	2996.32	1.43	1.37	50.86	36.27	4653.45
FTSE All-Share Household Goods and Home Construction (11)	10024.56	0.60	8622.73	9964.94	9907.92	10505.52	6.85	1.95	7.47	266.65	9282.65
FTSE All-Share Leisure Goods (2)	26408.48	-0.46	22715.53	26529.89	26576.52	18300.38	3.40	1.14	25.70	666.68	30304.61
FTSE All-Share Personal Goods (4)	30414.82	0.00	26161.63	30415.87	30315.69	23309.80	1.86	2.79	19.25	21.42	23940.72
FTSE All-Share Media (11)	9874.77	-0.20	8493.89	9894.90	9932.49	9354.81	2.36	2.00	21.21	128.39	7033.87
FTSE All-Share Retailers (22)	2194.46	-1.46	1887.59	2227.02	2224.75	2093.92	2.54	3.23	12.21	8.10	2876.41
FTSE All-Share Travel and Leisure (29)	7566.52	0.14	6508.42	7556.24	7467.90	6352.47	0.66	-7.97	-18.96	24.25	7853.82
FTSE All-Share Beverages (5)	27738.16	0.43	23859.27	27620.48	27598.25	29484.74	2.21	2.34	19.36	220.38	22425.40
FTSE All-Share Food Producers (8)	6736.53	-0.52	5794.50	6771.96	6797.72	6417.30	2.25	2.15	20.64	2.98	6564.85
FTSE All-Share Tobacco (2)	29983.75	-0.26	25790.84	30061.76	30052.80	35870.56	8.03	1.52	8.17	675.92	29121.33
FTSE All-Share Construction and Materials (15)	8519.89	-0.13	7328.47	8530.90	8530.64	7210.71	2.95	0.53	63.76	166.90	10604.73
FTSE All-Share Aerospace and Defense (8)	6735.23	0.87	5793.38	6677.13	6733.49	4836.49	1.83	0.20	272.42	74.85	8307.06
FTSE All-Share Electronic and Electrical Equipment (11)	12201.19	0.17	10494.98	12179.91	12115.68	10450.55	1.47	2.34	29.19	46.94	12135.49
FTSE All-Share General Industrials (7)	5200.39	0.29	4473.17	5185.23	5183.75	4913.08	3.32	1.34	22.47	70.97	6978.08
FTSE All-Share Industrial Engineering (6)	15948.60	0.12	13718.35	15929.10	15902.33	14908.84	1.96	2.38	21.38	210.47	21695.47
FTSE All-Share Industrial Support Services (29)	10053.68	0.16	8647.78	10037.47	10044.74	9763.15	2.05	1.61	30.32	70.31	11662.28
FTSE All-Share Industrial Transportation (8)	5218.57	-0.48	4488.81	5243.89	5197.50	4699.26	2.20	1.59	28.54	14.93	5487.34
FTSE All-Share Industrial Materials (1)	19003.55	-2.56	620.99	19503.64	19003.55	13877.59	1.79	1.34	41.73	231.04	24307.84
FTSE All-Share Industrial Metals and Mining (8)	6753.20	-0.95	5808.84	6817.70	6737.43	7726.63	7.23	3.54	3.90	242.91	10716.74
FTSE All-Share Precious Metals and Mining (5)	10604.33	-1.29	9121.42	10742.90	10671.77	10144.29	3.53	1.61	17.60	131.63	7575.10
FTSE All-Share Chemicals (7)	12598.43	-1.21	10836.67	12753.08	12779.10	14116.08	2.81	1.77	20.10	100.06	12753.65
FTSE All-Share Oil. Gas and Coal (13)	8248.25	-1.15	7094.82	8344.27	8358.66	7935.04	3.93	1.78	14.32	118.83	10548.71
FTSE Sector Indices											
Non Financials (324)	**5149.11**	**-0.21**	**4613.32**	**5159.95**	**5152.09**	**5077.11**	**3.48**	**1.73**	**16.59**	**68.13**	**9454.70**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7770.42	7794.60	7791.43	7781.61	7788.24	7776.24	7775.65	7747.70	7745.14	7804.77	7741.32
FTSE 250	19253.82	19287.52	19299.15	19282.54	19263.42	19262.36	19258.08	19231.59	19245.84	19317.51	19210.25
FTSE SmallCap	6265.48	6262.57	6257.74	6254.27	6253.17	6250.86	6245.50	6236.17	6235.45	6266.12	6232.80
FTSE All-Share	4233.46	4245.49	4244.31	4239.27	4241.70	4236.15	4235.66	4221.94	4221.19	4250.86	4218.54

Time of FTSE 100 Day's high:07:53:15 Day's Low14:11:45 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7335.40(17/03/2023)

Time of FTSE All-Share Day's high:07:53:00 Day's Low14:12:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 4007.66(17/03/2023)

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FT 30 INDEX

	May 16	May 15	May 12	May 11	May 10	Yr Ago	High	Low
FT 30	2828.20	2844.20	2839.10	2833.90	2829.80	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2844.2	2852.1	2846.6	2840.6	2841	2839.2	2836.4	2824.7	2827.7	2858.7	2819.8

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	May 15		May 15
FT Wilshire 5000	41670.04	FT Wilshire Mid Cap	5385.61
FT Wilshire 2500	5345.66	FT Wilshire Small Cap	4828.02
FT Wilshire Mega Cap	5422.39	FT Wilshire Micro Cap	4394.57
FT Wilshire Large Cap	5417.28		

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FTSE GLOBAL EQUITY INDEX SERIES

May 16 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9501	728.82	0.4	-0.5	7.1	1181.04	8.1	2.3
FTSE Global All Cap	9501	728.82	0.4	-0.5	7.1	1181.04	8.1	2.3
FTSE Global Large Cap	1937	659.41	0.3	-0.3	8.4	1101.82	9.5	2.3
FTSE Global Mid Cap	2227	915.51	0.6	-1.0	3.7	1394.71	4.5	2.2
FTSE Global Small Cap	5337	932.20	0.9	-1.2	3.4	1356.85	4.2	2.2
FTSE All-World	4164	430.16	0.4	-0.4	7.6	738.31	8.6	2.3
FTSE World	2657	782.94	0.3	-0.4	8.1	1803.88	9.2	2.2
FTSE Global All Cap ex UNITED KINGDOM In	9220	768.48	0.4	-0.5	7.1	1221.03	8.0	2.2
FTSE Global All Cap ex USA	7710	522.80	0.4	-1.1	6.9	944.63	8.4	3.2
FTSE Global All Cap ex JAPAN	8079	758.99	0.4	-0.7	7.1	1240.52	8.1	2.2
FTSE Global All Cap ex Eurozone	8858	766.47	0.4	-0.3	6.6	1214.15	7.5	2.2
FTSE Developed	2148	719.50	0.4	-0.3	8.3	1174.05	9.3	2.1
FTSE Developed All Cap	5778	746.24	0.4	-0.3	7.8	1199.51	8.8	2.1
FTSE Developed Large Cap	816	680.07	0.3	-0.1	9.3	1129.79	10.4	2.1
FTSE Developed Europe Large Cap	205	424.58	0.2	-1.4	12.2	859.51	14.5	3.1
FTSE Developed Europe Mid Cap	346	630.43	0.6	-0.7	11.3	1099.49	12.7	3.0
FTSE Dev Europe Small Cap	737	860.76	0.5	-1.1	7.6	1445.11	9.2	3.1
FTSE North America Large Cap	234	898.12	0.3	0.2	9.3	1360.32	10.0	1.7
FTSE North America Mid Cap	413	1112.22	0.7	-1.3	1.8	1558.13	2.4	1.8
FTSE North America Small Cap	1320	1088.79	1.2	-1.0	2.5	1461.22	3.1	1.7
FTSE North America	647	582.07	0.4	0.0	7.8	901.38	8.5	1.7
FTSE Developed ex North America	1501	284.26	0.3	-0.7	9.3	554.46	11.1	3.0
FTSE Japan Large Cap	175	403.59	0.2	2.7	8.8	601.64	10.1	2.5
FTSE Japan Mid Cap	339	566.14	0.6	3.2	7.0	802.26	8.4	2.5
FTSE Global wi JAPAN Small Cap	908	626.13	0.0	1.6	5.3	922.68	6.8	2.7
FTSE Japan	514	166.02	0.3	2.8	8.4	277.16	9.8	2.5
FTSE Asia Pacific Large Cap ex Japan	1124	681.24	0.8	-2.5	1.4	1254.46	2.2	3.2
FTSE Asia Pacific Mid Cap ex Japan	839	984.35	0.1	-2.5	2.3	1749.99	3.0	3.3
FTSE Asia Pacific Small Cap ex Japan	2097	549.16	-0.1	-4.0	2.8	946.40	3.5	2.9
FTSE Asia Pacific Ex Japan	1963	543.46	0.7	-2.5	1.5	1063.72	2.3	3.2
FTSE Emerging All Cap	3723	714.91	0.4	-1.9	1.5	1259.76	2.4	3.6
FTSE Emerging Large Cap	1121	658.89	0.5	-1.7	1.3	1167.28	2.2	3.6
FTSE Emerging Mid Cap	895	1041.06	0.0	-2.3	1.8	1851.43	3.1	3.8
FTSE Emerging Small Cap	1707	772.10	0.2	-2.4	2.5	1300.22	3.3	3.4
FTSE Emerging Europe	147	122.66	-3.6	-7.2	-4.6	261.64	-2.9	3.3
FTSE Latin America All Cap	252	767.96	0.8	2.4	10.0	1569.37	12.6	9.0
FTSE Middle East and Africa All Cap	330	698.83	-0.8	-1.7	-3.5	1307.56	-1.6	3.6
FTSE Global wi UNITED KINGDOM All Cap In	281	341.15	0.6	-0.4	8.6	710.38	10.3	3.6
FTSE Global wi USA All Cap	1791	994.23	0.4	-0.1	7.3	1451.06	7.9	1.6
FTSE Europe All Cap	1470	477.87	0.3	-1.3	11.4	927.15	13.5	3.1
FTSE Eurozone All Cap	643	470.12	0.1	-2.6	13.5	904.19	15.6	3.0
FTSE EDHEC-Risk Efficient All-World	4164	476.81	0.4	-1.3	2.9	760.33	3.9	2.7
FTSE EDHEC-Risk Efficient Developed Europe	551	346.11	0.5	-1.5	10.3	619.27	12.1	3.1
Oil & Gas	133	386.60	0.2	-6.8	-5.4	808.45	-3.8	4.9
Oil & Gas Producers	88	387.70	0.3	-7.1	-4.8	833.37	-3.2	5.2

May 16 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	25	257.72	-0.2	-6.7	-7.3	487.70	-5.7	4.8
Basic Materials	404	606.11	0.7	-4.3	1.4	1137.24	3.0	4.2
Chemicals	201	815.45	0.2	-2.6	4.6	1465.51	5.9	3.2
Forestry & Paper	19	236.43	0.5	-0.1	-6.2	490.16	-4.1	4.2
Industrial Metals & Mining	104	501.52	1.3	-7.8	1.5	978.93	3.1	4.7
Mining	80	952.43	1.3	-5.0	-2.5	1899.39	-0.5	5.5
Industrials	810	514.70	0.4	-0.7	5.5	830.19	6.5	2.1
Construction & Materials	163	621.05	0.3	2.2	11.5	1058.70	12.7	2.2
Aerospace & Defense	36	925.64	0.6	-3.1	2.3	1454.68	2.9	1.5
General Industrials	78	256.92	0.7	0.6	7.7	460.35	9.0	2.5
Electronic & Electrical Equipment	158	638.56	0.5	-1.8	6.5	924.15	7.1	1.6
Industrial Engineering	159	1031.35	0.4	-0.7	4.9	1660.64	6.1	2.1
Industrial Transportation	129	941.23	0.2	-1.7	4.4	1556.03	5.7	3.4
Support Services	87	521.90	0.4	-0.3	3.3	783.11	4.0	1.6
Consumer Goods	563	588.36	0.0	-0.2	9.4	1003.20	10.6	2.4
Automobiles & Parts	132	504.82	-0.3	-3.2	15.8	830.79	17.7	2.3
Beverages	71	819.88	0.0	1.9	5.8	1407.38	6.6	2.2
Food Producers	138	765.74	0.1	1.6	6.3	1340.76	7.7	2.4
Household Goods & Home Construction	61	584.76	0.3	4.0	8.9	998.66	10.2	2.5
Leisure Goods	54	257.20	0.2	-0.1	12.0	366.50	12.7	1.2
Personal Goods	94	1041.45	0.1	-1.7	12.7	1617.25	13.4	1.7
Tobacco	13	950.66	0.1	-1.7	-4.7	2779.22	-3.2	6.6
Health Care	337	737.30	0.0	-1.1	1.2	1186.39	2.1	1.8
Health Care Equipment & Services	131	1392.68	-0.1	-1.1	1.0	1716.25	1.3	1.0
Pharmaceuticals & Biotechnology	206	501.73	0.0	-1.2	1.4	870.93	2.5	2.3
Consumer Services	424	564.18	0.3	1.4	9.9	810.56	10.5	1.2
Food & Drug Retailers	69	306.79	0.0	-1.1	-2.4	493.79	-1.3	2.5
General Retailers	139	979.83	0.2	2.7	10.0	1345.93	10.5	1.0
Media	75	322.81	0.3	-2.4	11.4	466.98	12.1	1.3
Travel & Leisure	141	506.16	0.6	2.2	14.3	743.42	14.9	1.1
Telecommunication	83	133.42	-0.2	-3.6	3.7	320.84	5.5	4.3
Fixed Line Telecommuniations	29	105.38	0.1	-5.7	4.7	292.08	6.7	5.0
Mobile Telecommunications	54	156.70	-0.3	-2.4	3.1	324.08	4.8	3.8
Utilities	201	326.51	-0.7	0.2	1.4	775.97	2.7	3.3
Electricity	145	365.58	-0.7	0.2	0.0	854.48	1.3	3.2
Gas Water & Multiutilities	56	330.78	-0.6	0.4	4.7	816.18	6.4	3.8
Financials	854	258.31	0.6	-1.3	-0.5	505.06	1.0	3.4
Banks	271	191.93	0.7	-2.5	-3.1	420.95	-1.1	4.5
Nonlife Insurance	72	376.21	0.2	1.5	2.8	640.75	4.7	3.0
Life Insurance	51	220.99	1.8	-0.9	-3.0	432.25	-1.7	4.1
Financial Services	213	434.96	0.6	-1.5	2.5	666.22	3.2	1.8
Technology	355	552.96	0.7	2.3	25.0	724.91	25.5	0.9
Software & Computer Services	180	844.81	0.6	3.9	24.6	1024.67	24.9	0.6
Technology Hardware & Equipment	175	484.07	0.7	0.7	25.5	684.22	26.1	1.3
Alternative Energy	20	164.32	0.3	-2.8	-10.2	235.87	-10.2	0.3
Real Estate Investment & Services	140	243.80	0.6	-2.1	-2.9	480.55	-1.9	3.4
Real Estate Investment Trusts	107	434.09	0.1	0.7	-0.3	1035.20	1.0	4.1
FTSE Global Large Cap	1937	659.41	0.3	-0.3	8.4	1101.82	9.5	2.3

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Fixed Line Telecomms	26.07	Banks	8.52	Real Est Invest & Tr	1.34
Aerospace & Defense	25.20	Industrial Eng	7.97	Oil & Gas Producers	1.23
Travel & Leisure	20.99	Electricity	7.25	Oil & Gas	1.15
Electronic & Elec Eq	20.67	Media	6.98	Consumer Goods	0.83
Construct & Material	17.15	Telecommunications	6.79	Beverages	31.66
Household Goods & Ho	16.52	Real Est Invest & Se	6.67	FTSE SmallCap Index	-0.04
General Retailers	16.00	Health Care	6.34	Beverages	-0.77
Automobiles & Parts	15.27	Software & Comp Serv	6.24	Mobile Telecomms	-1.22
Consumer Services	14.86	Pharmace & Biotech	6.14	Equity Invest Instr	-1.63
Gas Water & Multi	14.79	Industrial Metals &	6.10	Industrial Transport	-2.35
Food Producers	14.72	Personal Goods	4.84	Chemicals	-2.64
Leisure Goods	14.49	Financials	4.06	Life Insurance	-2.90
Food & Drug Retailer	14.36	FTSE 100 Index	4.02	Nonlife Insurance	-4.48
Utilities	12.76	Support Services	3.90	Oil Equipment & Serv	-9.64
Financial Services	11.42	FTSE All{HY-}Share Index	3.67	Tobacco	-15.88
Industrials	10.69	NON FINANCIALS Index	3.52	Basic Materials	-17.86
Health Care Eq & Srv	9.42	FTSE 250 Index	2.23	Mining	-19.44
		Technology	2.01	Tech Hardware & Eq	-20.48

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1885.5	9.50	Jd Sports Fashion PLC	170.25	-4.35
Abrdn PLC	206.60	0.10	Johnson Matthey PLC	1907	-21.50
Admiral Group PLC	2193	-54.00	Kingfisher PLC	242.30	-7.60
Airtel Africa PLC	115.90	-0.10	Land Securities Group PLC	634.60	14.60
Anglo American PLC	2365.5	-14.50	Legal & General Group PLC	230.00	-2.70
Antofagasta PLC	1404	-15.00	Lloyds Banking Group PLC	45.70	-0.57
Ashtead Group PLC	4728	-32.00	London Stock Exchange Group PLC	8472	16.00
Associated British Foods PLC	1903.5	-2.00	M&G PLC	196.80	-3.40
Astrazeneca PLC	12070	70.00	Melrose Industries PLC	467.40	3.10
Auto Trader Group PLC	629.00	-6.00	Mondi PLC	1301.5	4.50
Aviva PLC	410.30	-2.50	National Grid PLC	1161.5	1.00
B&M European Value Retail S.A.	491.40	-4.00	Natwest Group PLC	264.00	-0.90
Bae Systems PLC	985.20	4.40	Next PLC	6742	-72.00
Barclays PLC	154.40	-0.62	Ocado Group PLC	414.20	-16.80
Barratt Developments PLC	504.60	-	Pearson PLC	821.60	1.40
Beazley PLC	610.50	-4.00	Pershing Square Holdings LTD	2702	-18.00
Berkeley Group Holdings (The) PLC	4365	31.00	Persimmon PLC	1341.5	5.00
BP PLC	475.95	-5.75	Phoenix Group Holdings PLC	569.00	-7.80
British American Tobacco PLC	2720	5.00	Prudential PLC	1143	-28.00
British Land Company PLC	377.90	2.80	Reckitt Benckiser Group PLC	6570	60.00
Bt Group PLC	150.30	-3.45	Relx PLC	2470	-5.00
Bunzl PLC	3158	-18.00	Rentokil Initial PLC	649.20	3.60
Burberry Group PLC	2537	12.00	Rightmove PLC	558.00	-5.40
Centrica PLC	119.65	2.10	Rio Tinto PLC	4916.5	-46.50
Coca-Cola Hbc AG	2565	5.00	Rolls-Royce Holdings PLC	148.15	3.05
Compass Group PLC	2200	33.00	Rs Group PLC	846.00	-11.40
Convatec Group PLC	218.00	-2.60	Sage Group PLC	821.00	8.60
Crh PLC	3923	-4.00	Sainsbury (J) PLC	285.50	-2.00
Croda International PLC	6680	-106.00	Schroders PLC	465.40	-3.10
Dcc PLC	4785	131.00	Scottish Mortgage Investment Trust PLC	621.00	-2.40
Diageo PLC	3553.5	15.50	Segro PLC	821.60	1.00
Endeavour Mining PLC	2044	-32.00	Severn Trent PLC	2928	7.00
Entain PLC	1473	-3.50	Shell PLC	2384.5	-27.50
Experian PLC	2740	2.00	Smith & Nephew PLC	1299	14.50
F&C Investment Trust PLC	895.00	-6.00	Smith (Ds) PLC	315.10	1.80
Flutter Entertainment PLC	16100	-85.00	Smiths Group PLC	1680.5	24.50
Frasers Group PLC	767.00	-13.50	Smurfit Kappa Group PLC	2994	10.00
Fresnillo PLC	673.00	-7.20	Spirax-Sarco Engineering PLC	11085	-5.00
Glaxosmithkline PLC	1466	-3.60	Sse PLC	1892.5	-2.00
Glencore PLC	432.10	-5.10	St. James's Place PLC	1126.5	-6.00
Haleon PLC	346.55	1.00	Standard Chartered PLC	619.80	0.80
Halma PLC	2478	18.00	Taylor Wimpey PLC	126.55	0.65
Hargreaves Lansdown PLC	800.00	-6.40	Tesco PLC	270.90	-2.30
Hiscox LTD	1165	-5.00	Unilever PLC	4343	9.00
HSBC Holdings PLC	605.70	-5.30	Unite Group PLC	920.00	-5.00
Imperial Brands PLC	1839	-34.00	United Utilities Group PLC	1079	3.00
Informa PLC	704.60	3.80	Vodafone Group PLC	83.33	-6.70
Intercontinental Hotels Group PLC	5348	48.00	Weir Group PLC	1779.5	-8.00
International Consolidated Airlines Group S.A.	155.70	1.40	Whitbread PLC	3268	6.00
Intertek Group PLC	4089	-42.00	Wpp PLC	884.40	-9.00

UK STOCK MARKET TRADING DATA

	May 16	May 15	May 12	May 11	May 10	Yr Ago
Order Book Turnover (m)	74.38	182.08	182.08	182.08	214.01	167.40
Order Book Bargains	524133.00	496286.00	496286.00	496286.00	551329.00	502398.00
Order Book Shares Traded (m)	1876.00	1496.00	1496.00	1496.00	1725.00	1875.00
Total Equity Turnover (£m)	7722.96	6477.62	6477.62	6477.62	21612.26	12265.54
Total Mkt Bargains	703579.00	683233.00	683233.00	683233.00	741950.00	691711.00
Total Shares Traded (m)	6994.00	5286.00	5286.00	5286.00	5693.00	5393.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
3i Group	Pre			**4575.000**	4018.000	**475.000**	415.400	**29.75000**	27.25000	Jul 28	**53.000**	46.500
Armadale Capital	Pre	**0.000**	0.000	**0.206L**	0.333L	**0.040L**	0.070L	**0.00000**	0.00000	-	**0.000**	0.000
Baillie Gifford European Growth Trust	Int			**69.167**	142.976L	**21.220**	39.440L	**0.00000**	0.00000	-	**0.700**	0.350
Block Energy	Pre	**8.262**	6.114	**1.608L**	4.783L	**0.002L**	0.008L	**0.00000**	0.00000	-	**0.000**	0.000
Character Group (The)	Int	**57.887**	90.947	**0.201**	6.541	**0.850L**	25.210	**8.00000**	7.00000	Jul 28	**18.000**	16.000
CMO Group	Pre	**83.073**	76.340	**0.175**	4.422L	**0.510**	7.110L	**0.00000**	0.00000	-	**0.000**	0.000
Grainger	Int	**109.600**	125.500	**5.700**	98.800	**0.600**	10.200	**2.28000**	2.08000	Jul 3	**6.170**	5.400
ImmuPharma	Pre	**0.000**	0.118	**4.456L**	8.941L	**1.200L**	3.250L	**0.00000**	0.00000	-	**0.000**	0.000
Ingenta	Pre	**10.451**	10.145	**1.199**	0.727	**9.020**	10.930	**0.00000**	2.00000	-	**1.200**	3.000
Polar Capital Global Healthcare Trust	Int			**8.890**	19.615	**6.970**	15.990	**0.00000**	1.00000	-	**1.100**	2.000
TBC Bank Group	1st	**547.596**	427.190	**296.291**	248.106	**4.570**	4.110	**0.00000**	0.00000	-	**567.200**	401.400

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
05/10	8.50	AIM	GMET	Golden Metal Resources PLC	8.13	0.03	8.80	7.95	0.0
05/03	100.00		AWEM	Ashoka WhiteOak Emerging Markets Trust plc	104.50	-0.50	105.00	98.50	0.0
04/11	2.50		SCSP	Seed Capital Solutions PLC	0.88	0.00	0.78	0.76	162.2
04/06	144.00	AIM	FADL	Fadel Partners Inc	147.00	0.00	150.00	144.00	2935.3
04/06	6.25		CHSS	World Chess PLC	9.50	0.00	11.50	6.55	6335.6

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	23.54	0.01	26.08	20.78	6.45	9.80	47103.33
BHP Group	44.08	0.23	50.09	35.83	9.39	10.28	148774.34
CmwBkAu	97.59	-0.91	111.38	86.98	3.61	18.22	109648.47
CSL	304.20	-3.61	314.21	254.30	1.00	43.24	97763.22
NatAusBk	26.46	-	32.83	25.43	3.42	13.99	55331.72
Telstra	4.34	-0.01	4.40	3.62	2.32	35.05	33409.86
Wesfarmers	51.55	-0.28	52.79	40.03	3.48	26.31	38947.13
Westpac Bank	21.13	-	24.61	18.80	4.23	15.26	49400.22
Woolworths	38.27	-0.56	39.88	31.67	2.84	43.33	31073.66
Belgium (€)							
AnBshInBv	55.56	-0.72	62.01	45.56	0.93	28.70	104881.92
KBC Grp	57.48	-4.14	72.46	45.53	5.78	9.68	26056.66
Brazil (R$)							
Ambev	14.67	0.05	16.88	12.60	3.78	22.54	47009.12
Bradesco	13.51	-0.02	17.71	11.15	6.03	6.36	14647.84
Cielo	5.49	-0.10	6.22	3.24	2.60	18.91	3033.87
ItauHldFin	23.01	-0.01	26.04	18.86	3.30	9.27	23206.78
Petrobras	29.32	0.76	42.08	23.61	16.07	4.25	44386.05
Vale	68.29	-0.77	94.48	61.90	18.68	3.10	63049.86
Canada (C$)							
Bausch Hlth	8.10	-0.03	14.54	5.10	-	-2.47	2178.15
BCE	63.88	-0.10	69.50	55.66	5.39	21.74	43300.61
BkMontrl	118.71	-1.24	138.85	113.47	3.74	9.28	62913.96
BkNvaS	66.63	-0.46	86.22	63.19	5.47	8.47	59325.53
Brookfield	58.88	11.29	63.88	41.28	1.09	19.91	69948.82
CanadPcR	111.98	0.31	112.06	86.42	0.67	27.26	77476.43
CanImp	56.35	-0.73	71.10	53.58	10.48	3.97	38195.83
CanNatRs	74.88	-1.32	87.92	58.75	2.62	11.79	61011.65
CanNatRy	162.68	-0.90	175.39	137.26	1.49	24.02	80429.97
Enbridge	50.51	-1.55	59.69	48.88	6.50	17.91	76004.34
GtWesLif	38.29	-0.07	39.12	27.99	4.96	10.94	26495.72
ImpOil	60.90	-1.17	79.83	52.67	1.66	17.80	26435.98
Manulife	25.75	-0.23	27.50	20.81	4.47	7.40	35321.06
Nutrien	84.01	0.19	134.19	79.15	2.72	12.26	30970.05
RylBkC	128.84	-2.08	140.18	116.75	3.40	11.63	133144.11
SHOP	82.10	-0.93	87.53	33.00	-	2.89	81576.81
Suncor En	38.16	-1.00	53.62	36.39	2.70	14.02	37397.17
ThmReut	167.09	0.55	180.93	120.57	1.20	11.70	58461.99
TntoDom	82.14	-0.74	97.13	76.40	3.91	10.46	111742.56
TrnCan	54.70	-1.29	74.44	50.70	6.25	29.92	41573.19
China (HK$)							
AgricBkCh	3.13	-	3.28	2.20	7.00	3.98	12275.24
Bk China	3.27	-0.01	3.45	2.51	6.99	3.93	34888.05
BkofComm	5.28	-0.03	5.65	3.83	6.81	4.23	23585.74
BOE Tech	0.67	-0.02	0.85	0.53	-	10.48	17.01
Ch Coms Cons	4.86	-0.09	5.52	3.09	4.30	3.91	2739.76
Ch Evrbrght	2.56	-	2.86	2.03	9.62	3.36	4141.13
Ch Rail Cons	6.27	-0.19	7.46	3.75	4.30	3.23	1660.95
Ch Rail Gp	5.48	-0.05	6.30	3.41	3.86	4.28	2941.68
ChConstBk	5.36	-0.03	5.90	4.10	7.12	3.78	164411.79
China Vanke	11.40	-0.14	19.90	9.87	12.84	4.98	3209.33
ChinaCitic	4.31	-0.01	4.74	2.92	6.69	3.88	8183.7
ChinaLife	14.92	-0.30	15.84	8.53	4.71	6.32	14164.87
ChinaMBank	40.00	0.15	53.00	25.40	3.67	7.15	23429.39
ChinaMob	65.70	-0.45	70.20	46.80	5.04	9.83	171513.39
ChinaPcIns	25.00	-0.05	26.50	12.10	5.40	7.90	8852.24
ChMinsheng	3.30	0.03	3.52	2.19	7.66	4.14	3503.09
ChMrchSecs	14.71	-0.06	15.98	12.12	3.10	12.60	15676.98
Chna Utd Coms	5.10	-0.06	6.45	3.30	2.29	24.56	22676.77
ChShenEgy	27.85	0.20	28.70	20.50	7.56	8.19	12001.11
ChShpbldng	4.71	-0.19	5.32	3.37	-	-336.17	14935.72
ChStConEng	6.33	-0.16	7.35	4.68	3.53	4.71	37557.34
ChUncHK	6.23	-0.01	6.58	3.27	2.59	13.31	24321.22
CNNC Intl	7.01	-0.01	7.44	5.78	1.85	17.59	18994.04
CSR	4.79	0.03	5.26	2.37	4.44	12.76	2671.33
Daqin	7.70	-0.03	8.21	5.95	6.50	11.20	16437.66
GuosenSec	9.59	-	10.55	8.43	2.50	10.58	12155.3
HaitongSecs	5.50	-	6.01	3.77	5.38	5.79	2392.56
Hngzh HikVDT	35.45	0.09	48.84	26.80	2.35	18.70	46366.54
Hunng Pwr	4.83	0.09	5.16	2.62	4.21	-5.26	2896.56
IM Baotou Stl	1.84	-0.02	2.71	1.75	-	30.08	8369.44
In&CmBkCh	4.42	-	4.73	3.37	7.07	3.93	48945.77
IndstrlBk	17.24	0.09	21.00	14.91	4.69	4.54	51427.11
Kweichow	1703.29	-13.01	2077	1333	1.18	36.83	307238.37
Midea	0.40	-0.01	0.49	0.32	-	-4.16	15.17
New Ch Life Ins	22.40	-0.60	25.00	12.04	7.03	4.12	2955.41
PetroChina	5.49	0.07	5.62	2.95	4.47	10.73	14778.72
PingAnIns	57.65	-0.40	63.10	31.30	4.47	8.88	54779.39
PngAnBnk	12.62	-0.21	15.27	10.22	1.44	7.24	35165.18
Pwr Cons Corp	7.12	-0.06	8.45	6.76	1.30	14.21	11237.28
SaicMtr	13.97	-0.10	19.29	13.72	4.43	6.71	23436.67
ShenwanHong	0.13	0.00	0.18	0.07	-	3.64	142.70
ShgPdgBk	7.67	-0.02	8.22	6.63	6.25	4.71	32327.02
Sinopec Corp	5.16	-	5.47	3.06	2.78	6.03	16314.28
Sinopec Oil	2.13	-0.03	2.39	1.81	-	679.89	4150.19
Denmark (kr)							
DanskeBk	140.35	-1.55	165.35	86.90	1.38	9.94	17656.58
MollerMrsk	12005	-210.00	22650	11100	2.74	2.02	14666.38
NovoB	1145.4	-16.60	1178.4	721.40	0.79	57.13	291232.49
Finland (€)							
Nokia	3.73	-0.06	5.20	3.66	-	13.32	22819.65
SampoA	45.65	-0.31	49.97	39.86	3.62	10.06	25347.33
France (€)							
Airbus Grpe	126.24	3.18	129.68	86.52	-	23.96	108425.38
AirLiquide	159.54	-1.02	164.52	114.48	1.66	30.49	90782.01
AXA	27.76	0.16	30.34	20.34	4.97	9.68	69175.34
BNP Parib	58.43	-0.21	67.02	40.67	4.42	8.71	78371.33
ChristianDior	830.00	-3.00	872.00	521.50	0.81	31.37	162803.16
Cred Agr	11.73	0.05	11.94	8.09	6.59	6.63	38562.77
Danone	59.19	0.09	61.88	46.76	3.16	20.85	43469.07
EDF	12.00	-	12.05	7.27	3.92	9.56	52171.34
Engie SA	14.81	0.03	15.56	10.07	3.46	10.80	39191.72
EssilorLuxottica	186.56	1.80	188.28	132.70	0.56	58.91	90757.74
Hermes Intl	1976	-3.20	2027	957.60	0.22	87.84	226680.67
LOreal	419.55	-1.65	442.60	300.45	0.92	52.93	244347.59
LVMH	876.00	-5.10	904.60	535.00	0.77	37.98	477902.33
Orange	11.52	-0.03	11.94	9.08	5.03	3960.98	33310.69
PernodRic	213.30	-0.80	218.00	166.60	1.41	33.35	59787.64
Renault	32.63	-0.79	43.96	22.33	-	-25.23	10483.93
Safran	142.40	2.76	143.68	87.85	0.29	1474.88	66113.82
Sanofi	100.34	0.66	105.18	76.45	3.08	21.01	137616.76
Sant Gbn	52.94	-1.15	58.53	35.18	2.48	13.11	29672.02
Schneider	158.38	-0.08	160.22	110.02	1.58	28.93	98287.11
SocGen	22.08	-0.20	28.39	18.97	2.42	3.86	19391.54
Total	55.14	-0.74	60.93	45.81	4.73	10.97	149211.15
UnibailR	49.68	0.06	73.09	39.68	-	-7.44	7615.7
Vinci	109.70	0.48	112.40	80.84	2.37	25.19	70393.32
Vivendi	9.50	-0.24	11.45	7.59	6.10	-17.57	11385.16
Germany (€)							
Allianz	209.05	-1.50	228.40	156.22	4.43	13.68	91618.44
BASF	47.11	-0.62	53.77	37.90	6.76	8.08	45753.41
Bayer	53.65	0.35	67.49	46.70	3.60	54.48	57274.09
BMW	99.57	-0.51	109.84	68.44	1.84	5.49	65134.48
Continental	66.50	0.06	79.24	44.31	-	10.61	14452.87
Deut Bank	9.61	-0.12	12.09	7.25	-	9.79	21298.99
Deut Tlkm	22.01	0.17	23.13	17.35	2.63	26.20	119261.88
DeutsPost	40.75	-0.16	44.64	29.68	3.27	10.68	54866.74
E.ON	12.01	-0.05	12.29	7.28	3.78	6.91	34470.95
Fresenius Med	44.07	0.29	57.52	25.95	2.94	13.79	14031.58
Fresenius SE	27.90	0.12	33.72	19.69	3.12	9.13	16932.4
HenkelKgaA	69.68	0.62	70.00	56.55	2.54	19.19	19671.15
Linde	336.95	0.55	344.00	261.20	1.07	54.22	179535.26
Mercedes-Benz	67.40	-0.60	75.92	50.19	1.93	6.98	78355.08
MuenchRkv	322.60	-2.70	342.90	212.70	2.93	15.96	47839.33
SAP	121.32	0.98	124.60	79.58	1.47	28.17	161956.55
Siemens	149.60	-1.02	152.20	93.67	2.26	23.30	130050.2
Volkswgn	144.95	-1.75	217.00	143.70	3.20	5.07	46479.55
Hong Kong (HK$)							
AIA	81.20	-0.90	93.65	57.25	1.52	20.09	120380.82
BOC Hold	24.40	-0.25	31.85	23.55	4.72	12.11	32914.12
Ch OSLnd&Inv	19.16	-0.34	25.60	14.40	5.81	4.60	26755.32
ChngKng	46.15	-0.15	57.00	42.90	3.56	10.21	21153.97
Citic Ltd	10.08	-0.10	10.86	7.01	4.95	4.51	37412.11
Citic Secs	16.72	-0.10	18.52	11.60	2.65	8.33	5589.25
CK Hutchison	51.50	-0.85	56.85	38.55	4.10	6.31	25166
CNOOC	12.94	0.06	13.36	9.22	3.24	10.92	73594.45
HangSeng	112.30	-1.40	141.40	108.30	5.04	17.47	27392.71
HK Exc&Clr	311.80	-1.60	404.20	208.20	2.72	33.99	50436.23
MTR	38.85	-0.40	43.70	33.15	2.94	27.20	30741.88
SandsCh	26.75	0.30	30.20	12.50	-	-28.57	27621.97
SHK Props	105.70	0.60	114.80	83.10	4.34	11.68	39079
Tencent	344.80	3.80	397.60	188.69	0.43	13.12	421789.57
India (Rs)							
Bhartiartl	787.35	-9.70	860.55	628.75	-	164.96	57155.51
HDFC Bk	1647.3	-28.50	1734.45	1271.6	-	27.41	111964.86
Hind Unilevr	2675.9	13.65	2741.6	2100	1.22	70.35	76474.1
HsngDevFin	2722.65	-61.70	2867	2026	0.86	22.74	60762.52
ICICI Bk	946.35	0.60	958.20	669.95	0.22	29.46	80432.16
Infosys	1264.3	5.95	1672.6	1185.3	2.45	24.51	63809.23
ITC	423.95	-3.85	433.45	254.80	2.59	34.57	64086.81
L&T	2227.2	-19.65	2416.35	1456.35	0.82	36.25	38072.03
OilNatGas	168.00	2.40	169.00	119.85	5.53	4.67	25707.05
RelianceIn	2453.8	-35.45	2817.35	2180	0.29	27.55	201943.66
SBI NewA	586.30	4.40	629.55	430.70	0.70	16.05	63644.53
SunPhrmInds	940.95	-12.05	1070.95	789.90	0.81	34.41	27460.59
Tata Cons	3258.15	3.10	3575	2926.1	1.14	30.54	145007.91
Israel (ILS)							
TevaPha	29.75	-0.41	38.39	23.83	-	23.15	8995.43
Italy (€)							
Enel	6.02	0.00	6.26	3.96	5.88	29.00	66506.66
ENI	13.23	-0.12	14.98	10.45	4.92	5.77	51835.37
Generali	18.77	-0.10	19.23	13.67	7.56	10.92	31803.74
IntSPaolo	2.41	-0.01	2.60	1.58	1.46	77.36	47879.54
Unicred	18.87	0.10	20.05	8.24	0.61	29.01	39787.36
Japan (¥)							
AstellasPh	2219	43.00	2219	1823.5	2.27	31.29	29417.54
Bridgestne	5647	12.00	5682	4548	3.21	12.03	29524.59
Canon	3254	9.00	3516	2754.5	3.28	14.75	31794.19
CntJpRwy	17210	130.00	17920	14730	0.83	-30.22	25971.65
Denso	8282	19.00	8330	6389	1.85	21.26	47806.01
EastJpRwy	8137	33.00	8280	6525	1.34	-7.65	22528.38
Fanuc	4575	-13.00	24930	4409	10.81	5.10	33835.23
FastRetail	32270	320.00	33220	19140	1.78	14.19	75227.95
Fuji Hvy Ind	2287.5	43.00	2684	1938.5	2.68	24.61	12889.56
Hitachi	8077	107.00	8077	5983	1.56	11.09	55506.37
HondaMtr	3800	51.00	3849	2990.5	3.71	7.53	50426.2
JapanTob	3062	30.00	3064	2266	4.88	14.60	44862.82
KDDI	4492	-11.00	4636	3825	2.92	14.10	75775.86
Keyence	67230	1010	67470	44880	0.33	52.62	119782.08
MitsbCp	5387	-	5460	3740	2.80	11.26	57550.09
MitsubEst	1032.39	4.93	1032.53	876.51	-	-	-
MitsubishiEle	1729	11.00	1788	1273	2.53	14.47	27196.88
MitsuiFud	929.39	6.37	1007.12	684.38	-	-	-
MitUFJFin	909.50	24.60	999.50	632.60	3.13	8.63	84535.17
Mizuho Fin	2056.5	35.00	2238	1486.5	4.15	9.21	38254.76
Murata Mfg	7897	-12.00	8811	6438	1.66	14.85	39095.42
Nippon TT	4161	-38.00	4334	3674	2.76	12.27	110407.64
Nissan Mt	512.00	-0.80	577.60	408.10	-	15.22	15830.97
Nomura	495.70	-1.30	573.90	464.30	5.07	-31.22	11742.26
Nppn Stl	2871.5	12.50	3294	1838	3.05	4.15	19990.83
Panasonic	1404.5	22.00	1412	1006.5	1.95	13.00	25249.79
Seven & I	6400	35.00	6619	5041	1.76	22.30	41560.59
ShnEtsuCh	4001	41.00	21055	3797	7.93	3.51	59327.61
Softbank	4999	49.00	7180	4708	0.96	3.93	53833.24
Sony	12820	-55.00	12965	9213	0.51	14.99	118435.72
SumitomoF	5735	-66.00	6261	3842	3.81	10.22	57755.05
Takeda Ph	4508	18.00	4629	3497	4.37	14.81	52254.42
TokioMarine	2811	-4.00	3000	2200	8.56	4.18	41236.78
Toyota	1923.5	-9.50	2267	1764	2.90	7.94	229895.47
Mexico (Mex$)							
AmerMvl	19.99	0.08	21.27	15.67	1.54	17.14	48287.31
FEMSA UBD	177.98	0.67	179.89	120.63	1.07	154.27	22018.17
WalMrtMex	73.08	0.43	79.15	64.81	0.65	38.61	73046.11
Netherlands (€)							
ASML Hld	604.20	8.60	637.50	375.75	0.54	48.31	264681.85
Heineken	104.30	-0.60	106.30	78.28	0.91	18.72	65282.72
ING	11.79	0.11	13.55	8.43	4.91	9.93	46387.45
Unilever	49.92	0.02	50.93	40.28	2.87	25.63	157374.88
Norway (Kr)							
DNB	184.25	-1.50	209.50	168.20	10.58	10.51	26826.5
Equinor	299.00	-1.90	410.95	278.70	1.85	11.51	88652.65
Telenor	122.00	-0.85	135.80	87.60	8.27	18.39	15941.62
Qatar (QR)							
QatarNtBk	16.20	-	23.00	14.31	3.22	12.64	41107.19
Saudi Arabia (SR)							
AlRajhiBnk	74.70	-0.80	7317	0.00	2.96	13.72	79677.88
Natnlcombnk	35.60	-0.85	1552.5	0.00	3.76	12.95	42510.01
SaudiBasic	91.00	-1.50	2115	0.00	3.29	12.83	72798.06
SaudiTelec	44.95	0.05	8480	0.00	8.21	8.61	59931.75
Singapore (S$)							
DBS	30.96	-	36.40	29.45	3.64	13.08	59607.26
JardnMt US$	50.69	0.02	59.48	42.60	3.13	9.14	14770.98
OCBC	12.26	-	13.23	11.20	3.13	12.59	41136.11
SingTel	2.58	0.03	2.82	2.31	2.66	44.86	31796.84
UOB	27.89	-0.09	31.40	25.91	3.25	12.78	34883.69
South Africa (R)							
Firstrand	61.21	-0.27	72.95	56.80	4.74	9.91	18003.88
MTN Grp	114.73	-0.71	174.47	107.35	-	13.99	11335.5
Naspers N	3310.82	40.82	3510	1454.08	0.20	15.92	75605.88
South Korea (KRW)							
HyundMobis	220500	-4500.00	239500	189500	1.88	8.28	15531.63
KoreaElePwr	18680	-600.00	24000	16500	6.82	-10.50	8958.87
SK Hynix	90400	4000	115000	60600	1.77	6.22	49166.2
SmsungEl	65400	900.00	79000	51800	2.29	10.90	291676.65
Spain (€)							
BBVA	6.30	-0.02	7.56	3.97	5.69	8.88	41281.51
BcoSantdr	3.14	-0.01	3.87	2.32	2.35	6.51	56133.46
CaixaBnk	3.33	-0.03	4.14	2.64	0.78	22.68	27154.94
Iberdrola	11.85	0.01	11.96	9.09	3.44	21.04	82973.47
Inditex	30.92	-0.33	32.10	19.92	0.69	33.77	104717.01
Repsol	13.22	-0.08	16.23	11.19	4.38	8.35	19068.72
Telefonica	3.96	0.04	5.06	3.22	8.43	3.00	24757.5
Sweden (SKr)							
AtlasCpcoB	131.30	-0.95	134.30	22.08	5.89	8.34	19696.77
Ericsson	54.36	-0.49	82.25	53.36	4.39	7.62	16051.61
H & M	144.00	1.16	157.30	98.27	4.63	18.88	20215.16
Investor	215.10	-0.60	221.95	158.20	1.72	8.80	37664.81
Nordea Bk	108.60	0.30	134.94	88.32	14.27	12.05	37624.74
SEB	114.50	-0.70	133.50	99.42	9.35	9.10	23709.81
SvnskaHn	86.96	-1.08	112.90	80.88	6.09	8.12	16253.67
Swedbank	168.45	-0.30	219.90	124.50	9.16	8.56	18326.6
Telia Co	26.71	-0.33	41.14	25.54	7.94	8.96	10093.96
Volvo	204.95	-2.05	219.75	154.28	3.36	12.70	31288.7
Switzerland (SFr)							
ABB	32.93	-0.17	33.25	23.84	2.29	16.55	72196.68
CredSuisse	0.76	0.00	6.76	0.66	11.96	-1.25	3389.67
Nestle	114.46	-0.40	124.10	103.42	2.18	20.82	341023.48
Novartis	92.50	0.01	93.95	73.33	2.96	10.52	235079.73
Richemont	154.70	-0.95	161.10	90.28	1.15	38.64	90111.48
Roche	282.30	-1.95	335.85	256.05	2.83	19.81	221317.25
Swiss Re	89.28	-0.50	99.68	68.16	6.01	22.59	31631.04
Swisscom	595.00	0.40	619.40	443.40	3.36	18.54	34393.97
UBS	17.17	-0.07	20.85	13.87	2.05	8.30	59426.74
Zurich Fin	429.30	-1.00	461.20	384.70	4.24	14.98	72077.83
Taiwan (NT$)							
Chunghwa Telecom	126.00	0.50	130.50	105.50	3.49	26.73	31731.37
Formosa PetChem	88.20	2.90	97.90	75.20	0.69	16.56	27275.78
HonHaiPrc	102.00	-	116.00	98.00	4.03	10.02	45904.66
MediaTek	680.00	-	935.00	533.00	5.59	9.43	35312.11
TaiwanSem	505.00	9.50	560.00	370.00	2.17	19.59	425136.6
Thailand (THB)							
PTT Explor	32.25	-	38.50	29.50	5.88	9.07	27124.85
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	2365.5	-14.50	4036	2320	7.54	4.68	39537.65
AscBrFd	1903.5	-2.00	2076	1223	0.33	31.46	18499.67
AstraZen	12070	70.00	12828.45	9399	1.72	2043.68	233757.23
Aviva	410.30	-2.50	473.70	341.92	5.20	53.99	14131.15
Barclays	154.40	-0.62	198.86	128.12	1.94	3.75	30001.1
BP	475.95	-5.75	570.57	359.20	3.31	17.27	104645.87
BrAmTob	2720	5.00	3645	2697	7.93	9.20	75996.82
BT	150.30	-3.45	196.60	22.98	-	14.59	18654.01
Compass	2200	33.00	2212	1630.5	0.64	53.53	47959.47
Diageo	3553.5	15.50	3960	3413.5	2.04	27.33	99960.7
GlaxoSmh	1466	-3.60	2753.96	16.64	5.46	16.93	75015.55
Glencore	432.10	-5.10	584.50	395.40	2.05	15.82	67560.82
HSBC	605.70	-5.30	653.80	434.70	2.67	13.23	151160.6
Imperial Brands	1839	-34.00	2185	1687	7.51	6.15	21141.75
Jardine Mathes.	62.50	-	55.30	46.89	2.54	11.27	18212.4
LlydsBkg	45.70	-0.57	54.33	38.51	5.62	6.35	37474.48
LSE Group	8472	16.00	8893.86	6710	0.91	86.63	53611.12
Natl Grid	1161.5	1.00	1271.45	844.29	4.23	27.07	53373.6
Natwest Group	264.00	-0.90	308.65	210.90	3.98	10.39	31272.28
Prudential	1143	-28.00	1336	782.40	1.03	18.56	39323.68
ReckittB	6570	60.00	6824	5502	2.66	-28.43	58807.84
RELX	2470	-5.00	2735	2064	1.93	32.59	58651.32
RioTinto	4916.5	-46.50	6329	4424.5	10.22	5.14	76853.56
RollsRoyce	148.15	3.05	160.00	64.44	-	100.78	15490.68
Shell PLC	2384.5	-27.50	2613.5	1908.6	2.54	12.57	203834.62
StandCh	619.80	0.80	797.40	515.60	1.43	13.90	21861.75
Tesco	270.90	-2.30	307.23	194.35	3.38	13.79	24725.17
Unilever	4343	9.00	4868.64	3407.5	3.33	22.30	136928.59
Vodafone	83.33	-6.70	132.10	81.02	9.28	-186.42	28108.82
WPP	884.40	-9.00	1082	713.00	3.00	16.85	11876.1
United States of America ($)							
21stC Fox A	30.91	-0.11	37.26	28.02	1.40	13.56	8315.19
3M	98.29	-2.20	152.50	98.16	5.56	10.53	54223.86
AbbottLb	110.09	0.25	118.23	93.25	1.51	30.29	191440.65
Abbvie	144.34	-2.26	168.11	134.09	3.32	24.26	254648.75
Accenture	279.11	1.60	322.88	242.80	1.22	30.72	184937.08
Activision Bli.	77.31	-1.02	87.01	70.94	0.56	24.36	60634.23
Adobe	343.13	-2.54	451.15	274.73	-	36.59	157393.73
Advanced Micro	102.45	5.05	109.57	54.57	-	43.21	164981.57
AEP	88.42	-1.67	105.60	80.30	3.13	19.32	45436.04
Aflac	65.32	-0.35	74.02	52.07	1.86	11.08	39468.11
AirProd	275.58	-3.71	328.56	218.88	2.01	31.38	61212.58
Allstate	116.96	-0.97	142.15	103.20	2.56	7.47	30743.16
Alphabet	119.91	3.40	122.43	83.34	-	1.16	712385.31
Altria	45.63	0.07	54.89	40.35	7.12	36.91	81446
Amazon	114.05	2.85	146.57	81.43	-	1.91	1170193.34
AmerAir	14.35	0.07	18.22	11.65	-	-4.15	9369.7
AmerExpr	149.08	-0.92	182.15	130.65	1.15	15.69	110802.32
AmerIntGrp	52.89	0.35	64.88	45.66	2.23	5.30	38279.27
AmerTower	191.68	-3.78	282.47	178.17	2.51	36.71	89331.17
Amgen	231.36	-2.18	296.67	223.30	2.81	24.39	123619.13
Amphenol Corp	75.06	-0.68	82.86	61.67	0.96	32.41	44684.65
Analog Devices	184.80	0.43	198.25	133.48	1.39	67.26	93481.45
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	331.93	-2.51	338.27	246.21	0.55	64.83	67795.21
Apple	172.22	0.15	176.15	124.17	0.46	30.96	2708797.06
Applied Materi.	122.95	1.84	125.62	71.12	0.71	18.39	103907.31
Aptiv	91.50	-1.43	124.88	77.96	-	51.12	24751.34
ArcherDan	74.32	-1.29	98.28	70.02	1.84	16.82	40477.26
AT&T	16.62	-0.34	21.53	14.46	11.55	6.53	118780.64
Autodesk	195.31	-1.60	235.01	163.20	-	93.62	41949.27
AutomData	213.02	-1.38	274.92	196.61	1.66	35.74	88001.34
AutoZone	2691.7	-14.84	2750	1703.32	-	26.36	49521.01
Avago Tech	646.03	6.23	648.50	415.07	2.15	39.55	269345.24
BakerHu	27.50	-0.40	38.66	20.42	2.49	68.98	27834.9
Bank of NY	40.11	-0.59	52.26	36.22	2.99	10.50	31651.13
BankAm	27.46	-0.19	38.60	26.32	2.62	8.34	218806.64
Baxter	43.09	0.27	77.08	37.35	2.32	18.46	21797.08
BectonDick	250.69	-0.39	269.06	215.90	1.24	47.01	71199.7
BerkshHat	496500.68	600.68	506000	393012.25	-	9.05	290873.93
Biogen	309.63	-2.24	319.74	188.54	-	32.27	44816.56
BlackRock	637.80	-6.95	785.65	503.12	2.39	18.09	95518.62
Boeing	201.64	-1.14	221.33	113.02	-	-30.57	121302.31
Booking Holdings	2681.56	35.49	2731.75	1616.85	-	103.18	99039.8
Bristol-Myers	67.16	-1.01	81.44	65.28	2.76	23.33	141092.89
Broadcom	646.03	6.23	648.50	415.07	2.15	39.55	269345.24
Cadence Design	202.11	-0.20	217.67	135.47	-	87.63	55112.16
CapOne	91.18	2.06	128.95	83.93	2.02	3.67	34813.09
CardinalHlth	85.81	0.49	86.20	49.70	2.11	48.19	21847.24
Carnival	10.58	0.27	14.96	6.11	-	-1.36	11801.85
Caterpillar	209.42	-1.87	260.50	160.60	1.89	19.19	107925.78
Centene Corp	66.01	-1.20	98.53	61.71	-	31.38	36224.26
CharlesSch	50.55	-0.39	86.63	45.00	1.31	19.36	89430.14
Charter Comms	338.81	-4.44	515.66	297.66	-	15.01	51015.64
Chevron Corp	153.73	-3.48	189.68	132.54	3.19	20.47	291254.07
Chipotle Mexic.	2051.56	4.44	2077.29	1196.28	-	97.10	56602.21
Chubb	199.60	-0.45	230.27	173.78	1.47	11.23	82669.23
Cigna	257.66	-0.34	340.11	240.11	1.43	17.75	76234.44
Cintas Corp	463.23	-5.84	478.39	343.86	0.72	44.02	47110.82
Cisco	47.15	0.05	52.56	38.61	2.92	18.14	193097.59
Citigroup	45.50	-0.55	66.00	40.01	4.14	4.86	88577.21
CME Grp	182.50	-1.88	212.09	166.55	1.82	27.13	65646.1
Coca-Cola	63.40	-0.54	66.38	54.02	2.44	30.54	274178.26
Cognizant	62.32	-0.44	75.40	51.33	1.42	16.68	31739.58
ColgtPlm	80.84	-0.24	83.81	67.84	2.04	34.36	67062.29
Comcast	39.83	-0.38	44.66	28.39	2.32	14.20	165647.43
ConocPhil	98.13	-2.16	138.49	78.30	1.83	17.52	118743.06
Constellation	227.02	-3.31	261.32	208.12	1.25	-1107.99	41597.89
Corning	30.90	-0.30	37.73	28.98	2.87	26.17	26269.03
Corteva	57.39	-0.51	68.43	50.03	0.86	26.24	40797
Corteva	57.39	-0.51	68.43	50.03	0.86	26.24	40797
Costco	497.93	-4.11	564.75	406.51	0.59	43.08	220823.59
CrownCstl	112.19	-1.71	193.95	112.11	4.49	45.54	48653.58
CSX	31.73	-0.28	34.71	25.80	1.13	19.00	64508.83
CVS	67.37	-1.48	107.26	67.35	2.74	12.27	86370.04
Danaher	225.02	-1.93	303.82	224.32	0.37	27.83	166038.3
Deere	364.70	-5.52	448.40	283.81	1.00	21.71	108067.25
Delta	34.05	0.33	42.45	27.20	-	44.30	21885.86
Devon Energy	46.46	-1.26	79.40	44.03	3.91	12.02	30381.57
Digital Realty	95.42	-2.97	141.77	85.76	4.49	17.41	27798.88
DiscFinServ	96.01	-1.03	118.71	87.64	1.81	5.84	24381.36
Disney	91.16	-1.70	126.48	84.07	-	57.45	166577.12
Dollar General	215.00	-3.04	261.59	183.25	0.73	22.70	47108.32
DominRes	53.22	-1.55	86.28	52.03	4.37	18.08	44488.8
DukeEner	94.48	-1.86	114.50	83.76	3.81	20.77	72807.32
DuPont	64.83	-0.79	78.40	49.52	1.71	21.76	29758.06
Eaton	166.11	-3.81	178.75	122.50	1.69	33.72	66211.45
eBay	43.59	-1.55	50.82	35.92	1.52	124.32	23306.51
Ecolab	172.74	-1.01	179.77	131.04	1.04	47.89	49182.7
Edwards Lifesc.	88.65	-0.27	107.92	67.13	-	40.37	53741.24
Eli Lilly	435.02	0.51	445.54	283.11	0.72	77.05	412952.71
Emerson	82.01	-1.11	99.65	72.41	2.28	19.41	46868.72
EOG Res	108.57	-2.77	150.88	92.16	1.37	14.73	63498.1
Equinix	725.57	-14.69	752.63	494.89	1.46	142.22	67857.67
EquityResTP	61.76	-0.70	80.89	54.60	3.60	19.54	23401.15
Exelon	40.02	-0.75	49.86	35.19	3.53	24.93	39797.68
ExxonMb	102.52	-2.55	119.92	80.69	3.14	20.62	414486.82
Fedex	223.13	0.71	248.76	141.92	1.19	13.01	56084.16
Fidelity NIS	54.84	-0.69	106.65	48.57	2.62	88.72	32489.22
Fiserv	118.86	-0.87	122.39	87.03	-	64.74	74655.96
FordMtr	11.51	-0.14	16.68	10.61	0.80	2.80	45213.71
Franklin	24.34	-0.18	32.88	20.24	4.28	6.98	12188.51
GenDyn	208.83	-1.39	256.86	205.40	2.06	19.60	57288.13
GenElectric	102.19	0.19	102.95	46.77	0.29	-34.08	111280.83
GenMills	90.10	-0.19	90.89	64.94	2.11	25.80	53474.35
GenMotors	32.03	-0.34	43.63	30.33	-	5.18	44525.66
GileadSci	78.73	0.35	89.74	57.17	3.33	17.31	98204.08
GoldmSchs	322.18	0.11	389.58	277.84	1.86	5.87	107108.16
Halliburton	28.14	-0.96	43.99	23.30	0.86	17.14	25392.1
HCA Hold	277.72	0.20	294.02	164.47	0.64	14.23	76425.71
Hew-Pack	29.80	0.23	40.79	24.08	2.60	5.83	29351.52
Hilton Worldwi.	143.13	-0.13	152.89	108.41	-	106.26	37876
HiltonWwde	143.13	-0.13	152.89	108.41	-	106.26	37876
HomeDep	284.00	-4.54	347.25	264.51	2.16	19.63	287597.99
Honywell	191.94	-2.37	220.96	166.63	1.81	26.30	127770
HumanaInc	519.91	-2.59	571.30	410.87	0.50	24.86	64960.15
IBM	123.56	0.20	153.21	115.55	4.89	25.71	112198.09
IDEXX Laborato.	491.62	1.74	515.79	317.06	-	61.96	40755.3
IllinoisTool	227.21	-2.06	247.09	173.52	1.92	28.94	69049.75
Illumina	200.49	-4.37	258.07	173.45	-	43.12	31696.68
Intcntl Exch	109.27	-0.59	113.07	88.60	1.11	16.50	61176.66
Intel	29.69	-0.12	44.93	24.59	4.32	6.62	123816.14
Intuit	425.42	-0.79	490.83	351.90	0.56	57.74	119350.05
John&John	159.89	0.34	183.35	150.11	2.42	22.19	415511.59
JohnsonCn	61.71	-0.71	69.15	45.52	1.72	30.54	42339.16
JPMrgnCh	134.25	-0.98	144.34	101.28	2.61	9.47	392317.23
Kimb-Clark	144.40	0.55	147.87	108.74	3.01	29.37	48717.67
KinderM	16.31	-0.39	20.20	15.78	6.28	38.19	36554.2
KLA Corp	412.10	8.00	428.28	250.20	0.87	22.99	56539.67
Kraft Heinz	39.16	-1.01	44.53	32.73	3.77	51.76	48058.62
Kroger	49.22	0.15	54.04	41.82	1.48	24.35	35322.65
LasVegasSd	59.23	-0.72	65.58	30.14	-	-42.52	45267.79
LibertyGbl	17.37	-0.15	25.13	15.22	-	0.80	2971.87
Lilly (E)	435.02	0.51	445.54	283.11	0.72	77.05	412952.71
Linde	366.11	-2.69	373.58	262.47	1.07	54.21	179517.35
Lockheed	449.56	-2.36	508.10	373.67	2.28	20.92	113852.22
Lowes	198.91	-2.64	221.42	170.12	1.40	17.74	118621.22
Lyondell	88.48	-1.62	117.22	71.46	4.63	5.72	28780.26
Marathon Ptl	108.75	-1.13	138.83	77.62	1.97	58.35	46140.76
Marsh&M	180.32	-1.28	182.43	143.33	1.37	30.06	89205.68
MasterCard	377.84	-5.57	387.46	276.87	0.55	46.75	355278.09
McDonald's	294.80	-1.10	298.86	228.34	1.64	31.83	215213.36
McKesson	393.84	2.69	401.78	298.69	0.42	48.34	53405.59
Medtronic	89.19	-0.12	106.33	75.77	2.58	26.38	118660.49
Merck	116.68	0.31	119.65	83.05	2.09	26.02	296068.03
Meta	237.88	-0.98	244.92	88.09	-	18.72	526224.57
Metlife	49.33	-1.15	77.36	49.20	3.55	7.31	37777.94
Microsoft	313.55	4.09	313.71	213.43	0.68	36.19	2331397.13
Mnstr Bvrg	60.03	0.31	60.47	41.95	-	25.32	60030
MondelezInt	77.61	-0.13	78.59	54.72	1.58	27.67	105686.64
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	82.22	-0.73	100.99	72.05	2.36	11.10	137316.75
Netflix	333.71	-2.18	373.83	164.28	-	32.18	148347.74
NextEraE	75.80	-1.75	91.35	69.40	1.98	107.92	153365.27
Nike	117.01	-2.83	129.23	82.22	0.92	33.15	144160.87
NorfolkS	212.56	-0.36	264.22	196.33	1.81	19.03	48387.07
Northrop	438.22	-1.16	556.27	433.18	1.30	10.91	66547.09
NXP	168.63	0.70	198.28	132.08	1.23	26.92	43759.49
Occid Pet	58.14	-0.39	77.13	54.30	0.06	30.59	51841.61
Oracle	98.55	1.29	98.70	60.78	1.21	40.39	266065.49
Pepsico	193.69	-0.58	196.88	154.86	2.02	38.24	266845.38
Perrigo	33.50	-0.73	43.90	30.78	2.64	-37.05	4533.42
Pfizer	37.03	-0.13	54.93	36.83	3.89	10.21	209045.72
Phillips66	92.65	-1.57	113.53	74.02	3.60	33.81	42513.59
PhilMorris	94.72	-0.28	109.81	82.85	4.77	17.61	147024.07
PNCFin	112.82	-0.85	176.47	110.31	3.93	9.63	45027.37
PPG Inds	139.75	-0.88	145.51	107.06	1.57	33.24	32899.39
ProctGmbl	156.57	0.56	158.11	122.18	2.11	28.84	369030.69
Prudntl	78.25	-1.15	110.96	75.37	5.42	4.35	28561.25
PublStor	290.71	-3.28	357.13	270.13	2.54	31.93	51110.32
Qualcomm	105.33	-0.95	156.66	101.93	2.36	13.08	117343.08
Raytheon	95.58	-1.12	104.91	80.27	1.94	40.15	139655.95
Regen Pharm	740.78	-10.18	837.55	538.01	-	11.16	79639.04
S&P Global	360.00	-1.48	395.80	279.32	0.79	31.19	115920
Salesforce	204.63	1.30	206.28	126.34	-	148.45	200712.94
Schlmbrg	43.30	-1.30	59.45	30.65	1.07	35.56	61494.02
Sempra Energy	146.84	-3.69	176.47	136.54	2.76	39.69	46203.28
Shrwin-Will	223.24	-3.37	278.31	195.24	0.91	34.67	57570.14
SimonProp	105.94	-0.99	129.55	86.02	6.23	16.79	34641.98
SouthCpr	70.58	-1.72	82.05	42.42	4.18	17.43	54565.52
Starbucks	105.92	-0.72	115.48	70.33	1.60	31.03	121426.69
StateSt	67.04	-0.96	94.74	58.62	3.00	10.11	22556.17
Stryker	286.46	-2.46	306.56	188.84	0.83	59.60	108742.56
Sychrony Fin	27.98	0.01	40.89	26.59	2.98	3.99	11991.4
T-MobileUS	143.35	-1.27	154.38	121.76	-	64.47	172004.58
Target	159.83	0.34	221.65	137.16	1.84	12.17	73769.99
TE Connect	121.23	-0.68	138.24	104.76	1.51	17.85	38200.8
Tesla Mtrs	169.12	2.77	314.67	101.81	-	37.41	536026.57
TexasInstr	163.82	-1.44	186.30	144.46	2.37	21.50	148691.86
TheTrvelers	181.66	-1.15	194.45	149.65	1.84	12.14	41959.2
ThrmoFshr	520.45	-3.23	611.06	475.77	0.18	28.99	200748.64
TJX Cos	78.75	-0.51	83.13	53.69	1.23	31.31	90674.31
Truist Financial Corp	27.58	-0.29	52.22	25.56	6.22	6.69	36734.3
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	197.13	-2.51	242.36	183.69	2.17	19.74	120189.26
UPS	167.02	-1.83	209.39	154.87	2.25	12.33	121052.7
USBancorp	28.90	-0.75	53.37	27.27	5.62	6.14	44305.39
UtdHlthcre	480.53	-6.33	558.10	449.70	1.08	28.81	447385.75
ValeroEngy	109.71	-3.21	146.81	96.93	3.30	52.38	39660.22
Verizon	36.34	-0.44	52.18	34.55	6.44	7.40	152602.75
VertexPharm	344.93	-3.72	354.46	243.17	-	41.50	88837.27
VF Cp	20.85	-0.82	51.40	20.03	8.72	7.41	8101.55
Visa Inc	230.02	-2.79	235.57	174.60	0.54	41.28	372223.74
Walgreen	31.18	-0.32	44.96	30.39	5.67	4.89	26903.01
WalMartSto	150.85	-1.04	154.64	117.27	1.36	33.26	406881.28
Walt Disney	91.16	-1.70	126.48	84.07	-	57.45	166577.12
Waste Manage.	167.87	-0.71	175.98	138.89	1.26	42.41	68292.32
WellsFargo	38.62	-0.15	48.84	35.25	1.84	8.46	144910.87
Williams Cos	28.66	-0.45	37.97	27.80	5.28	25.05	34907.15
Workday	187.65	2.19	206.68	128.72	-	1679.01	38614.1
Yum!Brnds	138.27	0.49	143.25	103.97	1.33	28.77	38727.63
Zoetis	181.76	-2.09	187.82	124.15	0.51	46.14	83995.77
Zoom	65.93	-0.10	124.05	60.45	-	15.73	16297.9
Venezuela (VEF)							
Bco de Vnzla	4.34	-	4.59	0.58	119.97	-	621.76
Bco Provncl	8.25	-	70000	6.80	-	0.00	121.53

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Naspers N	331082.00	327000.00	4082.00	1.25	323958.49	10785.4	2.83
MTN Grp	11473.00	11544.00	-71.00	-0.62	11424.97	9538.7	-12.17
Firstrand	6121.00	6148.00	-27.00	-0.44	6084.33	9513.6	-5.22
Alphabet	118.91	116.51	2.40	2.06	8.74	10.3	9.17
Fresenius SE	27.89	27.78	0.11	0.40	2.34	9.6	9.67
Applied Materi.	122.95	121.11	1.84	1.52	7.27	8.0	8.90
Petrobras	29.39	28.56	0.83	2.91	1.33	7.9	-1.58
Advanced Micro	102.45	97.40	5.05	5.18	2.34	7.8	11.59
Panasonic	1404.50	1382.50	22.00	1.59	73.50	7.3	12.65
AstellasPh	2219.00	2176.00	43.00	1.98	107.00	7.2	13.76
MitUFJFin	909.50	884.90	24.60	2.78	36.60	7.2	7.35
Amazon	114.05	111.20	2.85	2.56	4.58	7.0	11.21
McKesson	394.04	391.15	2.89	0.74	22.59	6.9	8.74
AmerMvl	19.95	19.91	0.04	0.20	1.25	6.9	2.94
MitsbCp	5387.00	5387.00	0.00	0.00	342.00	6.8	6.99
KDDI	4492.00	4503.00	-11.00	-0.24	291.00	6.6	10.78
KLA Corp	408.80	404.10	4.70	1.16	20.58	6.6	8.79
Compass	2200.00	2167.00	33.00	1.52	102.00	6.5	7.37
Hind Unilevr	2675.90	2662.25	13.65	0.51	145.95	6.3	5.51
CharlesSch	50.46	50.94	-0.48	-0.94	3.31	5.9	-0.81

Based on the FT Global 500 companies in local currency

INTEREST RATES: OFFICIAL

May 16	Rate	Current	Since	Last
US	Fed Funds	4.75-5.00	22-03-2023	4.75-4.50
US	Prime	8.25	04-05-2023	8.00
US	Discount	5.00	02-05-2023	4.75
Euro	Repo	3.25	02-05-2023	2.899
UK	Repo	4.50	11-05-2023	4.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

May 16 (Libor: May 15)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06229	0.001	0.002	0.002	5.10771	5.33043	5.38314	5.30343
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.001	4.20130	4.70190	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				-0.012	3.15000	3.35800	3.66300	3.80500
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	5.14000	5.27000	5.31000	
Euro CDs				0.000	3.14000	3.32000	3.54000	

May 16	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	2.89	3.19	2.93	3.23	2.99	3.29	3.17	3.47	3.39	3.69	3.44	3.74
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	4.88	5.08	4.90	5.10	5.04	5.24	5.17	5.37	5.21	5.41	5.00	5.20
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change
Crude Oil†	Jun	71.30	0.19
Brent Crude Oil‡		75.02	-0.21
RBOB Gasoline†	Jul	2.47	0.00
Natural Gas†	Jun	2.40	0.02
Base Metals (♠ LME 3 Months)			
Aluminium		2259.00	-10.00
Aluminium Alloy		2150.00	-75.00
Copper		8157.50	-117.50
Lead		2060.00	-16.00
Nickel		21255.00	-640.00
Tin		24630.00	-455.00
Zinc		2499.00	-35.00
Precious Metals (PM London Fix)			
Gold		2019.90	0.00
Silver (US cents)		2389.00	3.50
Platinum		1061.00	-20.00
Palladium		1534.00	-12.00
Bulk Commodities			
Iron Ore		106.77	1.61
Baltic Dry Index		1476.00	-46.00
Richards Bay ICE Futures		111.50	-1.00

Agricultural & Cattle Futures		Price*	Change
Corn♦	Jul	587.50	-5.00
Wheat♦	Jul	658.25	-2.50
Soybeans♦	Jul	1390.00	-10.75
Soybeans Meal♦	Jul	428.00	-2.90
Cocoa (ICE Liffe)✠	Jul	2295.00	39.00
Cocoa (ICE US)♥	Jul	2997.00	17.00
Coffee(Robusta)✠	Jul	2655.00	14.00
Coffee (Arabica)♥	Jul	191.40	2.00
White Sugar✠		715.00	-1.90
Sugar 11♥		26.36	0.07
Cotton♥	Jul	81.95	-0.42
Orange Juice♥	Jul	255.00	4.10
Live Cattle♣	Jun	164.18	-0.23
Feeder Cattle♣	May	134.88	-
Lean Hogs♣	Jun	86.10	2.00

	May 15	% Chg Month	% Chg Year
S&P GSCI Spt	542.50	-8.80	-30.12
DJ UBS Spot	101.32	-6.02	-22.55
TR/CC CRB TR	289.04	-4.85	-12.04
LEBA EUA Carbon	58.91	-1.98	129.94
LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ✠ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Ch Rail Cons	6.27	6.46	-0.19	-2.94	-0.79	-13.5	2.45
Vodafone	83.33	90.03	-6.70	-7.44	-4.25	-11.6	-9.39
Disney	91.25	92.86	-1.61	-1.73	-10.11	-11.4	-8.73
Walt Disney	91.25	92.86	-1.61	-1.73	-10.11	-11.4	-8.73
SouthCpr	70.40	72.30	-1.90	-2.63	-6.65	-10.8	-12.69
ChStConEng	6.33	6.49	-0.16	-2.47	-0.59	-10.6	-2.47
Ch Rail Gp	5.48	5.53	-0.05	-0.90	-0.58	-10.3	0.37
ChShpbldng	4.71	4.90	-0.19	-3.88	-0.35	-10.3	20.46
Ch Coms Cons	4.86	4.95	-0.09	-1.82	-0.46	-10.2	-3.94
Chna Utd Coms	5.10	5.16	-0.06	-1.16	-0.50	-9.9	-12.07
LibertyGbl	17.23	17.51	-0.28	-1.60	-1.48	-9.3	-9.57
New Ch Life Ins	22.40	23.00	-0.60	-2.61	-1.65	-9.1	13.25
BMW	99.38	100.08	-0.70	-0.70	-8.84	-8.8	-8.78
Pwr Cons Corp	7.12	7.18	-0.06	-0.84	-0.58	-8.2	-8.72
Devon Energy	46.82	47.71	-0.89	-1.87	-3.29	-8.2	-16.07
Bayer	53.62	53.30	0.32	0.60	-5.01	-8.0	-8.11
Nike	116.96	119.83	-2.87	-2.40	-7.05	-7.8	-7.23
Metlife	49.50	50.48	-0.98	-1.94	-3.21	-7.8	-18.45
Sinopec Oil	2.13	2.16	-0.03	-1.39	-0.15	-7.8	-7.39
CSR	4.79	4.76	0.03	0.63	-0.42	-7.5	-3.24

Based on the FT Global 500 companies in local currency

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	210.43	-0.22	0.35	3.30	-0.50	5.05
Corporates(£)	330.34	-0.22	-0.38	2.23	-0.10	-8.15
Corporates(€)	212.46	-0.17	0.07	2.49	0.71	-3.87
Eurozone Sov(€)	212.43	-0.21	0.05	2.37	0.80	-8.32
Gilts(£)	267.82	-0.47	-1.10	-0.65	-1.79	-18.00
Overall(£)	278.73	-0.40	-0.88	0.09	-1.35	-15.49
Overall(€)	208.81	-0.20	0.10	2.26	0.76	-7.24
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	641.20	16.68	-	-	-5.73	0.59
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	451.84	2.78	-6.23	23.17	510.17	424.31
Europe 5Y	86.42	-0.05	-1.66	4.81	101.15	79.69
Japan 5Y	76.04	-1.13	-4.74	-7.69	99.54	76.04
Senior Financials 5Y	101.30	-0.05	-3.07	6.71	124.01	91.28
Markit CDX						
Emerging Markets 5Y	258.44	10.03	8.71	26.61	265.81	229.64
Nth Amer High Yld 5Y	496.19	-0.37	1.28	37.99	509.56	458.20
Nth Amer Inv Grade 5Y	80.88	0.04	-0.37	7.31	88.71	73.57

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

BONDS: INDEX-LINKED

	Price May 15	Yield May 15	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	110.17	1.300	1.226	-0.20	5.25	72803.84	8
Fr 0.25%' 24	100.41	-0.095	-0.125	0.21	17.92	259781.33	17
Swe 1.00%' 25	126.47	0.946	0.842	0.32	35.93	226391.90	7
UK 2.500%' 24	375.79	1.249	1.211	0.27	6.82	536543.53	30
UK 2.50%' 24	375.79	1.249	1.211	0.27	6.82	536543.53	30
UK 2.00%' 35	243.45	0.509	0.450	-0.97	9.08	536543.53	30
US 0.625%' 26	97.23	1.691	1.705	-0.07	42.42	1658206.98	48
US 3.625%' 28	110.58	1.390	1.400	-0.17	16.78	1658206.98	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.42	1.22	-0.05
Austria	2.73	0.52	-0.74
Canada	2.94	0.74	-0.53
Denmark	2.49	0.29	-0.98
Finland	2.73	0.53	-0.74
Germany	2.20	0.00	-1.27
Italy	1.82	-0.38	-1.65
Japan	0.18	-2.03	-3.30
Netherlands	2.48	0.28	-0.99
New Zealand	4.03	1.82	0.56
Norway	3.23	1.02	-0.25
Portugal	2.65	0.45	-0.82
Spain	3.05	0.85	-0.42
Sweden	0.61	-1.60	-2.87
Switzerland	0.92	-1.29	-2.56
United States	3.47	1.27	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

BONDS: HIGH YIELD & EMERGING MARKET

May 16	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

VOLATILITY INDICES

	May 16	Day Chng	Prev	52 wk high	52 wk low
VIX	17.45	0.33	17.12	35.05	15.53
VXD	16.09	0.22	15.87	37.57	10.88
VXN	19.71	0.16	19.55	41.12	5.85
VDAX	17.30	-0.36	17.67	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	83.29	3.42	0.10	0.03	0.09	0.01
	02/50	1.00	100.28	1.60	0.07	0.00	0.12	0.09
Austria	02/29	0.50	88.25	2.73	0.04	-0.01	-0.04	1.60
	02/47	1.50	72.26	3.18	0.05	0.00	0.08	1.56
Belgium	06/27	0.80	93.01	2.62	0.03	0.00	-0.06	1.77
	06/47	1.60	70.29	3.43	0.04	0.00	0.05	1.44
Canada	03/25	1.25	95.58	3.82	0.06	0.03	0.12	1.12
	06/30	1.25	89.32	2.94	0.07	0.01	0.10	0.01
	12/48	2.75	94.31	3.07	0.06	-0.07	0.07	0.10
Denmark	11/29	0.50	88.18	2.49	0.04	-0.03	-0.06	1.32
	11/52	0.25	51.24	2.65	0.05	0.02	0.08	1.24
Finland	09/24	0.00	96.31	2.87	0.02	-0.03	-0.01	2.49
	09/29	0.50	87.19	2.73	0.03	-0.03	-0.06	1.58
France	05/28	0.75	91.34	2.61	0.03	-0.02	-0.04	1.65
	05/48	2.00	77.86	3.32	0.04	-0.01	0.05	1.45
Germany	08/29	0.00	87.26	2.20	0.03	-0.02	-0.06	1.43
	08/50	0.00	52.18	2.42	0.05	0.02	0.08	1.31
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	101.27	3.45	0.04	-0.04	-0.18	1.02
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	95.40	2.62	0.01	-0.02	-0.06	1.93
	02/45	2.00	80.23	3.29	0.03	0.00	0.06	1.43
Italy	02/25	0.35	95.10	3.32	0.02	0.05	-0.01	2.06
	05/30	0.40	90.69	1.82	0.02	0.02	0.10	1.59
	03/48	3.45	83.78	4.55	0.03	0.00	0.10	1.40
Japan	04/25	0.05	100.03	0.04	0.00	-0.02	-0.01	-0.01
	12/29	0.10	99.50	0.18	0.01	-0.02	-0.03	0.00
	12/49	0.40	81.05	1.24	0.02	0.00	-0.02	0.28
Netherlands	07/27	0.75	93.24	2.48	0.03	-0.03	-0.08	1.72
	01/47	2.75	99.74	2.76	0.04	0.01	0.08	1.49
New Zealand	05/31	1.50	82.86	4.03	0.04	-0.09	-0.04	0.44
	09/40	2.50	124.04	2.33	0.01	0.02	0.09	0.62
Norway	08/30	1.38	88.19	3.23	0.02	0.03	0.07	0.39
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	87.80	5.87	0.14	0.06	-0.06	-1.26
	04/47	4.00	76.75	5.82	0.00	-0.02	-0.11	-0.48
Portugal	04/27	4.13	105.40	2.65	0.01	-0.05	-0.06	1.46
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	85.81	3.05	0.03	-0.02	-0.02	1.49
	10/46	2.90	85.08	3.88	0.03	0.00	0.08	1.46
Sweden	06/30	0.13	114.14	0.61	0.02	-0.18	-0.14	1.55
	03/39	3.50	114.61	2.38	0.02	-0.10	-0.05	0.49
Switzerland	04/28	4.00	114.96	0.86	0.03	-0.14	-0.09	0.53
	06/29	0.00	94.60	0.92	0.03	-0.11	-0.07	0.46
United Kingdom	07/23	0.75	99.34	4.36	0.00	-0.09	0.09	3.18
	07/27	1.25	90.58	3.70	0.04	0.05	0.04	2.32
	07/47	1.50	58.66	4.25	0.05	0.07	0.16	2.23
United States	-	-	-	-	-	-	-	-
	03/25	0.50	93.66	4.05	0.00	-0.01	-0.06	1.25
	02/30	1.50	88.21	3.47	0.03	-0.02	-0.02	0.55
	02/50	0.25	70.06	1.64	0.06	-0.01	0.09	0.96

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

BONDS: GLOBAL INVESTMENT GRADE

May 16	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

GILTS: UK CASH MARKET

May 16	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	99.37	4.23	-0.47	-1.40	-2.31	264.66	99.37	97.34	34.36
Tr 0.125pc '24	97.15	4.26	-0.23	0.00	2.16	232.81	97.80	94.34	35.55
Tr 2pc '25	95.83	3.91	-0.26	-0.76	5.11	200.77	101.69	93.15	39.93
Tr 0.125pc '26	90.84	3.72	-0.27	-0.80	4.79	183.97	95.25	86.33	35.32
Tr 1.25pc '27	90.65	3.68	-0.27	-0.81	4.84	168.61	98.68	85.65	40.99
Tr 0.5pc '29	83.36	3.77	0.00	-0.79	4.14	146.41	95.06	78.21	28.92
Tr 1pc '32	79.68	3.76	0.00	-0.53	4.44	116.09	122.11	78.92	35.96
Tr 4.25pc '36	102.96	3.95	0.00	-0.25	4.77	103.61	126.29	94.91	31.68
Tr 4.5pc '42	103.96	4.20	0.00	0.48	5.26	107.92	139.42	93.79	28.35
Tr 3.75pc '52	91.89	4.24	0.24	0.95	6.53	115.23	137.68	82.51	25.11
Tr 4pc '60	97.33	4.14	0.00	0.98	6.98	122.58	154.62	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	May 16	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.40	0.03	2356.57	0.01	-2.83	3.86
2 5 - 10 Years	147.35	0.03	3144.60	-0.46	-10.67	3.70
3 10 - 15 Years	155.22	0.01	3616.05	-1.04	-16.15	3.96
4 5 - 15 Years	148.11	0.02	3255.76	-0.64	-12.27	3.81
5 Over 15 Years	205.45	-0.05	3572.45	-2.98	-31.38	4.17
7 All stocks	133.28	0.00	2999.47	-1.19	-17.17	4.05

Index Linked	May 16	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	325.75	-0.11	-0.29	-0.18	2768.65	-0.12	0.92
2 Over 5 years	521.35	-0.89	-4.83	-33.71	3985.39	-4.72	-33.35
3 5-15 years	449.79	-0.43	-2.41	-14.84	3653.69	-2.26	-14.12
4 Over 15 years	572.62	-1.22	-6.52	-42.64	4245.56	-6.42	-42.42
5 All stocks	497.89	-0.76	-4.08	-29.71	3884.27	-3.96	-29.26

Yield Indices	May 16	May 15	Yr ago		May 16	May 15	Yr ago
5 Yrs	3.65	3.66	1.36	20 Yrs	4.20	4.20	2.05
10 Yrs	3.83	3.83	1.76	45 Yrs	4.05	4.04	1.79
15 Yrs	4.08	4.08	1.99				

Real yield	inflation 0% May 16	inflation 0% Dur yrs	inflation 0% Previous	inflation 0% Yr ago	inflation 5% May 16	inflation 5% Dur yrs	inflation 5% Previous	inflation 5% Yr ago
Up to 5 yrs	0.75	2.34	0.71	-4.51	0.41	2.36	0.36	-4.91
Over 5 yrs	0.78	19.00	0.73	-1.77	0.76	19.04	0.71	-1.79
5-15 yrs	0.50	9.26	0.46	-2.52	0.43	9.27	0.38	-2.59
Over 15 yrs	0.85	25.70	0.80	-1.67	0.84	25.71	0.79	-1.67
All stocks	0.78	16.15	0.73	-1.80	0.75	16.22	0.70	-1.82

See FTSE website for more details www.ftse.com/products/indices/gilts

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Vodafone: Margherita's recipe

Meet the new boss, same as the old boss? New chief executive Margherita Della Valle has sketched out the latest turnround plan for Vodafone. This is a pragmatic response to competitive weakness. But it is unlikely to deliver the value the UK-listed telecoms group might crystallise by breaking itself up.

The ousting of Della Valle's predecessor Nick Read in December has changed things remarkably little.

Full-year results were further evidence of how far this mighty business has fallen. It operates in a horribly competitive market.

Pricing power resides with suppliers of data, not its distributors. The latter have to keep investing in capacity.

Vodafone also has a tendency to use its foot for target practice. It has stumbled in Spain and, spectacularly, in Germany, its largest market, where it is losing broadband customers.

Revenues have been broadly flat for a decade. Returns lurk below or around cost of capital in four key markets.

Vodafone's free cash flow does not cover capex and shareholder returns, although disposals are bringing leverage down. The shares have fallen more than half over the past five years.

Remedies are scarce. Della Valle vows to improve by slimming down headquarters and devolving power and accountability to subsidiaries while cutting more than 10 per cent of its workforce. It will reinvest savings towards a better customer experience, and plans to chase higher-margin business clients, who value its brand.

These incremental improvements may not be enough to stem the tide of customer outflows. In Germany, for instance, Vodafone has to recontract its broadband client base. It is also raising prices, which may increase churn.

An organic turnround seems a distant hope. Remaining investors, long kept on hold, need little excuse to disconnect.

Ex-finance boss Della Valle deserves credit for putting Spanish assets on the block. She is open to other changes in the group's structure. She should pursue this line of reasoning.

Vodafone's market capitalisation is £23bn. That is a discount of almost 30 per cent to a sum of the parts valuation from Citigroup. Della Valle's tactics appear canny: aim to grind out results that exceed lowered expectations. But that does not amount to a strategy to replace Vodafone's failed push for scale advantages. Investor pressure for a break-up will persist and intensify.

Tech start-ups: the corrections

The technology-heavy Nasdaq Composite index may be up a fifth this year but the private sector is still getting mauled. Year-on-year median valuations of late-stage start-ups fell 17 per cent in the first quarter, according to PitchBook data. There is no reason to expect a recovery this year.

Unless it involves buzzy artificial intelligence, appetite has waned since late 2021. A moribund initial public offering market means no quick exits. Higher interest rates mean pension funds and asset managers who were keen on start-ups when rates were low can find easier gains elsewhere.

Fundraising has plummeted. Last week, Japan's SoftBank reported that its vast, tech-focused Vision Funds invested just over $3bn in the fiscal year ending March 31, down from more than $44bn the previous year.

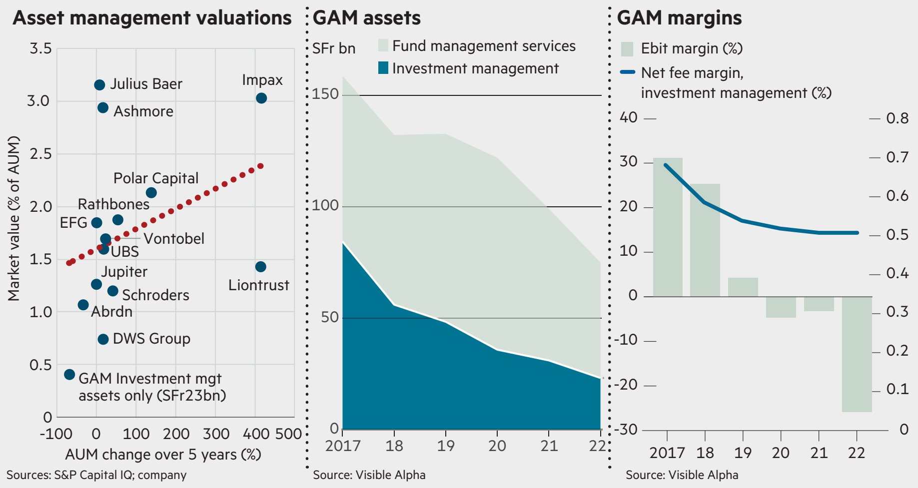
The true scale of value destruction remains obscured. Start-ups able to conserve money are avoiding raising capital, worried that funding will mean lower valuations. Down rounds accounted for close to 20 per cent of all funding in the first quarter, according to data from fintech company Carta, down from 5 per cent a year ago.

This figure is likely to rocket. More than 90 per cent of VC-backed start-ups are not profitable, and burn through money raised when valuations were high. Carta logged 906 VC investments in the first quarter, down more than a third on the previous quarter. As more companies are forced to fundraise, valuations will drop.

The largest private companies offer some indication of what might happen next. Payments company Stripe's valuation has dropped from $95bn to $50bn since 2021. Food deliverer Instacart lowered its valuation from $39bn to $10bn last year. Forced to raise funds or make equity offers to employees, they have accepted sharp downgrades. As cash runways grow shorter, other start-ups will do the same. The rest of 2023 offers a choice: cut costs, try to raise debt or accept the days of record valuations are over.

GAM/Liontrust: the X factor

The Swiss asset manager has been losing assets for years. It therefore attracts a lowly valuation compared with peers. Operating profit margins have collapsed in line with assets under management and fee margins.



GAM once stood for Global Asset Management. The name was appropriate when the company was one of the largest in Europe. Today, the Swiss group is worth about SFr100mn ($112mn). That is with a bid on the table.

A name change could signal diminished status, or a reboot as an independent business. Investors led by French entrepreneur Xavier Niel would prefer that to a takeover by UK fund manager Liontrust. Niel's grouping is promising to increase its stake above 10 per cent.

Subscale active fund managers are joining forces under pressure from index funds. Bulking up on the cheap makes sense for Liontrust. Paying with shares even more so.

The deal certainly appears to favour the bidder; Liontrust is offering a 12 per cent stake in the combined group but contributing just two-fifths of total assets. Liontrust's offer is equal to about 0.4 per cent of GAM's assets under management. That is about a third of Liontrust's own valuation and even lower compared with the sector multiple.

GAM has drifted chaotically since scandalous involvement in the 2018 Greensill debacle. Operating losses widened to SFr42mn last year. Fund management assets of SFr23bn are down from SFr84bn in 2017. The board is poorly placed to demand better terms. This is why a fifth of GAM shareholders have already signed up. Fees show signs of stabilisation,

The bidder is unlikely to offer much more. Liontrust has arranged a loan to help cover the cost of the deal, if it goes through. Assumptions on cost-cutting are already stretched. Liontrust hopes to achieve £57mn of recurring savings by spending £45mn. These typically would cost between £57mn and £86mn in asset management, noted David McCann at stockbroker Numis.

Job cuts in countries with strict employment laws make the task tougher. Targeted operating margins of 30 per cent will be hard to meet.

Asset management franchises are valuable for their ability to garner assets and talent. GAM lost both years ago. Unless a rival offer materialises, a Liontrust takeover is the least worst option.

Alibaba: Burry, Burry, quite contrary

SoftBank's string of losses inspires traders to joke that the best way to make money is to buy when founder Masayoshi Son sells, and vice versa.

Some US hedge funds are putting that into practice: piling into Alibaba even as the Japanese investment group dumps most of its stake.

Daniel Loeb's Third Point has acquired 1.3mn American depositary shares in the Chinese ecommerce giant. Scion, the business of Michael Burry of *The Big Short* fame, has boosted bets on Alibaba and peer JD.com.

The two stocks are now the largest holdings in Scion's stock portfolio, at about a fifth of the total. Burry has tripled his stake in JD.com to $11mn while Alibaba's has doubled to $10mn.

Local investors do not share Burry's optimism. Last week, JD's first-quarter revenue growth was its slowest on record. Its chief executive is leaving.

Alibaba's first-quarter earnings are expected to show sales growth of less than 3 per cent when released tomorrow. The group recorded its slowest sales growth on record last year. The local ecommerce sector has long passed saturation point. It runs on thin margins because of discounting and endless promotions. Worse, Alibaba has been late catching up to local trends of ecommerce moving to short video and livestreaming.

High hopes on China's reopening have fizzled as data yesterday showed both retail sales and industrial activity missed expectations in April — adding to corporate earnings concerns.

Alibaba's rock-bottom valuation is striking and its shares remain about 70 per cent below their 2020 peak. At just 10 times forward earnings, they trade at less than half tech sector peers.

Flotations of Alibaba business units could provide a boost. The two most likely to list, including grocery chain Freshippo, would be worth about $30bn. However, much of that value should already be in Alibaba's $228bn market worth. On this occasion, it would be unwise to view SoftBank boss Son as a contrary indicator.

US bankruptcies: no can do

Kick a can down a road for long enough and fatigue ends the game. On Monday, several prominent, distressed US companies finally succumbed to bankruptcy. They included Vice Media and Envision Healthcare, whose backers included some of the world's best-known investors.

The court filings are instructive. Documents not only detailed how these companies kept running out of money, they also showed that bad business models were no bar to raising more money that would itself be lost.

Just a year ago, Envision took in more than $1bn in fresh cash. Since 2020, Vice garnered at least $200mn despite zombie-like characteristics.

Wishful thinking surrounding those deals was predicated upon low interest rates, rising valuations and miracle turnrounds in profitability that never materialised. The chunks of capital will mostly be incinerated. Only senior secured lenders will receive some recoveries, predominantly in risky equity with some cash thrown in.

The curse of raising money from investors is that you then need to spend it. In go-go eras, it proves difficult to avoid going with the flow.

In the instance of Vice and Envision, new money investments made as the businesses faltered typically had some seniority in the capital structure and received higher interest rates. Such terms are a double-edged sword that can inflict serious damage.

Senior lender Fortress Investment Group is set to acquire Vice. The deal values the company at under $300mn. Almost a decade ago, when Vice was seen as a hot, disruptive magazine publisher, it raised equity at a valuation close to $5bn. Envision, which comprises physician practices and surgical centres, will not take such a sharp haircut. It is perhaps worth half the value of its $10bn 2018 buyout.

Investors can learn from this. Cash calls too often forestall hard choices that could preserve more value in the long run. Easy capital is a powerful drug. Its side-effects include myopia.

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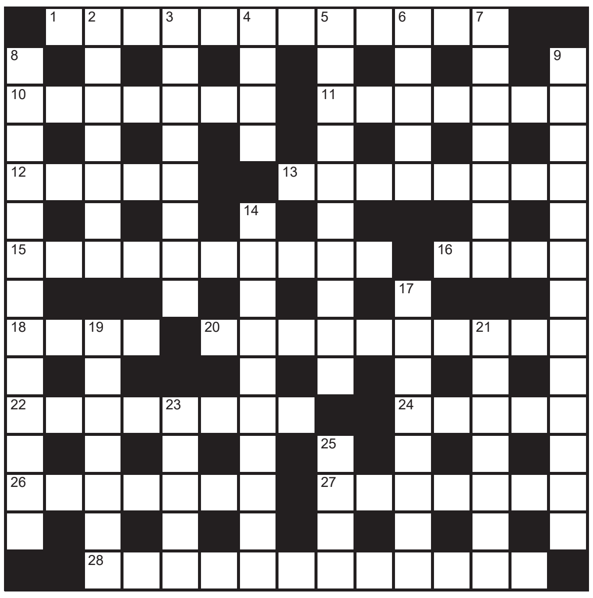
CROSSWORD

No 17,417 Set by CHALMIE



ACROSS

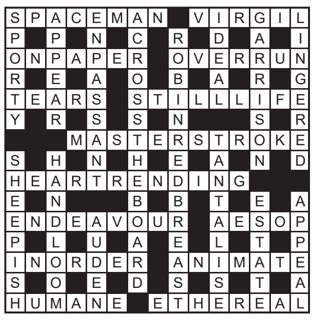
1 Fast to make a point, thinkers urge change (6,6)
10 Deciding heat for cafe demolition (4,3)
11 Free at last, daleks devastated Lake District attraction (7)
12 Native American losing his head fast (5)
13 Fast and ingenious protecting rank (8)
15 Pursued with leg broken very fast indeed (10)
16 Advanced fast (4)
18 Band move fast (4)
20 Figures in 3 lesson get head tangling with parent (10)
22 President created uproar with shag on floor (8)
24 Bar one beginning to cut some hair (5)
26 Fast in the daytime for a period, Adam ran off (7)
27 Fast one could be dangerous (3,4)
28 Budgie-smugglers on staircase as fast as possible (5,2,5)

DOWN

2 Release snake to bite off relative's foot (7)
3 I'm surprised about order to attempt mathematical discipline (8)
4 Trump violent? So it's said (4)
5 What cannibals do for old left-wingers' medications (10)
6 Confirm selection, barely winking (3,2)
7 Look at upper limit one German is holding up (7)
8 Way to suggest Rod races and goes unprecedentedly fast (6,1,6)
9 He may start fast rowers featured by What Crew? unexpectedly (6-7)
14 Roquefort, typically scandalously unbelieved (4-6)
17 Bread and tea with songwriter Smith (8)
19 Little guys I avoid — Rishi mad with some other politicians (7)
21 A couple of parties, the second about an hour, for Indian interpreter (7)
23 Fast guy from Motorhead skinning bears for children (5)
25 Bottoms of seats clean, characteristic of foreign train service (1,1,1,1)

JOTTER PAD

Solution 17,416



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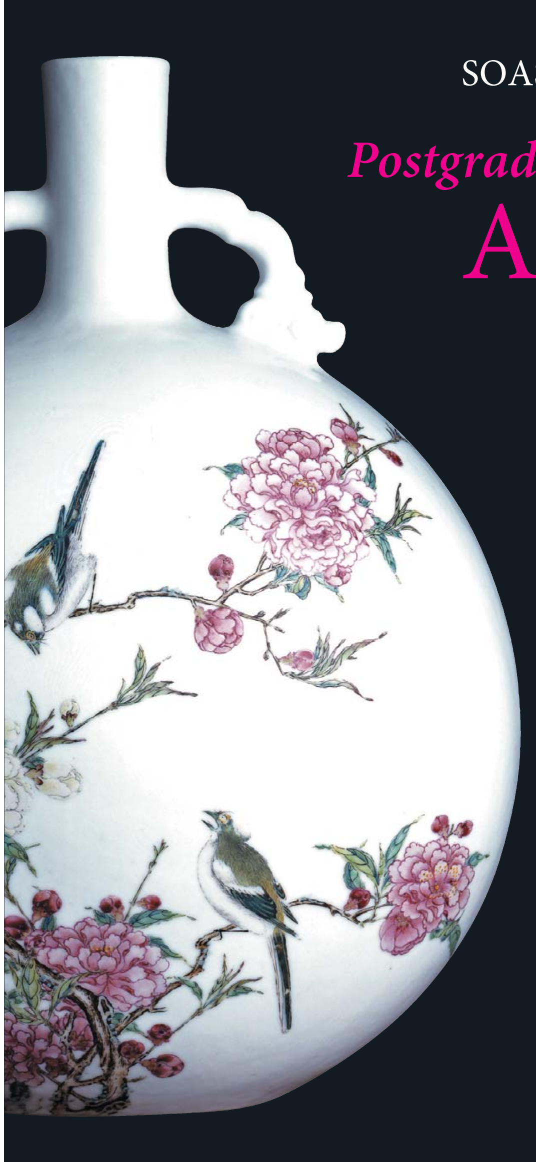

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ARTS

‘We stuck it out. And we’re really good at it’

Hard-rock veterans Def Leppard are riding a wave of popularity. Singer Joe Elliott and guitarist Phil Collen explain why to Michael Hann

Main: Def Leppard, from left, Vivian Campbell, Phil Collen, Joe Elliott, Rick Savage and Rick Allen. Top right: Collen in February this year. Above right: Elliott with Taylor Swift at the 2009 CMT Music Awards in Nashville

Ross Halfin; Getty Images

Taylor Swift was a big fan of Def Leppard in her mother’s womb,” says 63-year-old Joe Elliott, Def Leppard’s singer, in a Yorkshire accent as broad as the moors. “She was exposed to us in ’88, born in ’89 and grew up on us.” The point he’s making is that Def Leppard, 46 years after Elliott joined the Sheffield group, aren’t quite the “one for the granddads” act that one might expect of a venerable hard rock band.

American singer Swift and Leppard filmed an episode of the concert show *Crossroads* in 2008, performing each other’s songs together. The following year they played the band’s 1980s monster hit (and strip club anthem) “Pour Some Sugar on Me” together at the CMT Awards for country music. Last year, Miley Cyrus sang their 1983 hit “Photograph” with them at the Taylor Hawkins tribute concert at Wembley Stadium. Whisper it, but Def Leppard have transcended the vicissitudes of rock fashion and arrived at the exalted status of elder statesmen.

Elliott and guitarist Phil Collen are promoting a book that, to Elliott, proves their status. *Definitely: The Official Story of Def Leppard* is part oral history (a pretty decent one) and part scrapbook (a very good one). But it’s the publisher, Genesis — purveyor of books by A-list stars — that excites Elliott. “It’s Jeff Beck, it’s Jimmy Page, it’s Peter Green. John Lennon, Beatles, Stones. And they wanted to do dear old Def Leppard.”

There’s also an album of old hits rearranged with an orchestra, *Drastic Symphonies*. But the most telling fact of all about Def Leppard being back with multiple bangs is that this summer they play Wembley Stadium for the first time, as last year’s US stadium tour co-headlining with Mötley Crüe comes to Europe. Thirty-six years on from *Hysteria* — the global smash-hit album conceived as a hard-rock version of Michael Jackson’s *Thriller* — Def Leppard are a bigger live draw than they have ever been.

How have they defied the laws of rock gravity?

“Well, we stuck it out,” Collen says. “We didn’t let the ego thing get in the way. I actually don’t understand how these bands disintegrate. Really? This is a dream job. This is what you dream of as a kid. You want to be a footballer or a rock star and you get to be a rock star. And we’re really good at it.” He also notes something that he says most bands don’t do: they did what they were told by people who knew what they were doing.

Elliott’s answer is rather more discursive. Well, he says, there’s been excellent management since 2005, geared towards rebuilding the band as a live draw. They’ve done that by keeping on the road, usually on cannily chosen bills: there have been a lot of co-headlining tours, especially with Journey, before the jaunt with Mötley Crüe, that offer two complementary shows in one night. “We’re this untapped source of familiarity, I suppose, that had to become cool again,” Elliott says. “Because let’s be honest, we weren’t ever Depeche Mode or U2 when it comes to the darlings of the press. So we had to work very hard to keep a fan base alive.”

There have been landmarks, too — induction into the Rock & Roll Hall of Fame in 2019 — that have raised the band’s profile. They also attribute part of their surging popularity to the lives of their fans. As Elliott says, the kids who followed them through the 1980s were raising kids of their own through the ’90s and ’00s, “and then they came back with their kids”. There’s also the simple fact that in these post-Covid times, a tour by two huge rock bands promising no reflection on lives rent asunder by war, famine, pestilence, plague, social policy or identity politics has a very simple and hedonistic appeal. “Two bands of MTV superheroes, doing it live,” Collen says, succinctly.

Though known for their troubles — having to sack founding guitarist Pete Willis owing to his alcoholism in 1982; the other founding guitarist, Steve Clark, dying from his addictions in 1991; drummer Rick Allen losing an arm after a car crash on New Year’s Eve in 1984 — Def Leppard are surprisingly free of melodrama.

“We have this working-class thing,” says Collen, who joined the band from London in 1982 following Willis’s sacking. “Our parents lived through world war two, going down the air raid shelters. They had a values system that they ingrained in us, that we all share and we still have. And when I met the band, when I first stayed up at Joe’s house when I was in the band Girl, it was like, ‘Oh, this is up north but it’s the same as my house down in Walthamstow.’ So we all have that heartbeat.”

One of the defining features of Def Leppard onstage down the years has been the certainty that Collen — even into his sixties — would appear on stage topless, with an oiled and ripped torso (he stopped drinking and started exercising more than 30 years ago). One admired his physical confidence and condition. On the other hand, going topless seems more of a young man’s game. Why does he do it?

“Because I can.” He laughs. “I think that’s it, to be honest.”

Do his bandmates never have a quiet word? Just try a shirt for once, mate? “In fairness, he’s been wearing a shirt ever since we came back last year,” Elliott says. “We upped the ante and started working with this lady who brings all these racks of stuff and we try it all on. When we started doing promo, Phil walked in with a beard. He looked like fucking Santa Claus. She went, ‘Lose it.’ He went, ‘All right.’ She went, ‘Put a shirt on.’ And he went, ‘All right.’ And he started dressing up.”

Like his band, he did what he was told by people who knew what they were doing.

So why can’t everyone do that, Elliott wonders. “It’s not that difficult. It’s not like you’re climbing Mount Everest on roller skates. You’re actually coming down on a snowboard.”

‘Definitely’ is published on May 18. ‘Drastic Symphonies’ is released on May 19. Def Leppard’s European tour begins at Bramall Lane, Sheffield, on May 22, defleppard.com

Def Leppard on stage in 1983 — Michael Ochs Archives/Getty

FT FINANCIAL TIMES

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Southbank basks under an African sun

CLASSICAL

Chineke! Orchestra
Royal Festival Hall, London

Manchester Collective
Queen Elizabeth Hall, London

Richard Fairman

The choice of artists-in-residence for the Southbank Centre’s 2022-23 season was made with the clear intention of pushing the boundaries. At the weekend, two of them came one right after another in a reminder of the range that has been on offer.

Over the winter, cellist Abel Selaocoe has been presenting concerts exploring where his native South African culture meets the classical music tradition. An enthusiastic band of supporters gathered in the Royal Festival Hall for this last event of his residency in the company of the majority black and ethnically diverse Chineke! Orchestra.

All the music had an African connection of some kind. The mixed-race British composer Samuel Coleridge-Taylor has been a regular name on Chineke! programmes and two of his *Four Novelletten for string orchestra* (1903) were another good find. Fela Sowande’s similarly attractive *African Suite* (1944) took African themes and presented them in a thoroughly westernised style.

Beyond those lay the works composed by Selaocoe himself and kora-player Seckou Keita, which drilled down more deeply into their African roots. These were the main event and prime among them was the jointly composed *Concerto for cello and kora*, a Southbank Centre co-commission getting its first London performance. Selaocoe talked of a journey through the many rhythms of Africa, but the real spark was lit in the music’s spontaneity as he and Keita improvised, sang singly and together, and drew the audience into rhythmic clapping. The sun shone in this concerto thanks to the African tradition of music as a communal experience. ★★★★☆

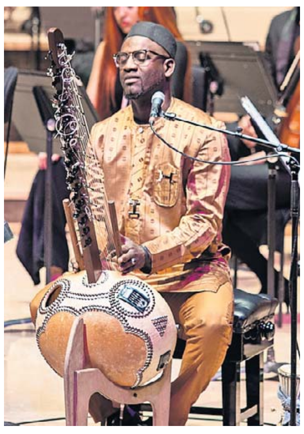
In the past Selacoe has toured with the Manchester Collective, but the guest on the group’s current tour is multiskilled guitarist Sean Shibe. The audience at the Queen Elizabeth Hall was promised a programme of gentle music, “foreplay before the final of Eurovision” later that evening. With atmospheric lighting and a mist hanging over the platform, two new works from the Manchester Collective’s commissioning programme formed the backbone of the concert.

The outstanding item was *Living Again* by American composer Kelly Moran, a 10-minute triptych for string quartet and guitar, which left a bigger impression than its short timespan might have led one to expect. A rich cello threnody interacts with the guitar. A high-lying second violin line hovers in the air like an angel. Although the mood is warm and contemplative, this is music that touches the heart deeply and we hardly need to be told that Moran was reflecting on the early death of her first love, a cellist in her school orchestra.

Among the other works, David Fennessy’s *Rosewoods* interwove decorative guitar filigree and string murmurings inspired by the Italian Chapel decorated by prisoners-of-war in Orkney, palpably evoking the flickering of shadows or ominous ghosts of the past. Emily Hall’s *Our Potential Space*, the other commission, is similarly subtle in its use of electric guitar and amplified string quartet as it moves through “the space between reality and fantasy”.

After so much music of finely judged ambiguities, the Eurovision final will have come as quite a shock. ★★★★☆

southbankcentre.co.uk



Abel Selaocoe, left, and Seckou Keita with the Chineke! Orchestra — Arnaud Mbaki

FT BIG READ. CENTRAL BANKS

Envious of the dollar and wary of the growing use of the renminbi, the eurozone is pushing ahead with plans for its own electronic currency even as some politicians question its purpose.
By Martin Arnold and Sam Fleming

The dilemma of a digital euro

This year, over 1,000 people marched through Amsterdam protesting about something that does not yet exist: the digital euro.

The protesters voiced an array of objections to the European Central Bank's plan to issue an electronic version of the continent's single currency. Some feared governments would use it to track their spending, others suspected a plot to replace cash. One told Dutch media she feared the authorities would stop her buying meat or alcohol. Willem Engel, the organiser, whipped up the crowd, telling them to "avoid companies that don't accept cash".

This cocktail of suspicions and conspiracy theories about the digital euro comes at a highly delicate moment for the ECB and eurozone politicians. They hope that it could be launched in as little as three years' time. But they are also struggling to communicate convincing arguments for the project, which is only increasing the scope for conjecture.

While China has the most advanced plans for a central bank digital currency among the larger economies, Europe is the furthest ahead among the main western central banks. Christine Lagarde has embraced the project since taking over as ECB president in 2019.

The Frankfurt-based institution is expected to announce in October that it will move into an implementation phase and start a pilot scheme. Lagarde has said she expects it will be ready to make the final decision of whether to launch a

'Digitisation of society means everyone wants to pay digitally. But there is no single digital means of payment'

digital euro in 2026 or 2027. This summer the European Commission will issue proposals setting out the key design features of the putative currency.

Supporters say it would be a riskless and universal electronic alternative to cash. "We need a risk-free asset and the only one that exists is central bank currency," Fabio Panetta, the ECB executive board member overseeing digital euro work, told the Financial Times.

Always jealous of the dominant position of the dollar in the international financial system, Europe is eager to find new ways of promoting the euro's weight globally. It is also wary that China's digital currency will allow Beijing to expand its role. Like other central banks, the ECB is also concerned that privately controlled digital currencies will gain traction in the financial system as consumers increasingly shun cash.

However, there are mounting questions among consumers, financiers and politicians over what the project actually aims to achieve and whether the potential risks outweigh the benefits.

These questions have only grown as the immediate threat from cryptocurrencies has faded as the value of bitcoin and **other forms of money** has declined. The subtleties of central bank currencies are hard for policymakers to explain: many people consider they are already spending digital money when they use their contactless payment card or mobile banking app.

Some European policymakers fear that a failure to make a clear case for the digital euro means it will come to be seen as a solution that does not quite know what problem it is solving.

"What is the compelling reason for making this reform? This is the big unanswered question," says Ignazio Angeloni, a former ECB official who is now a part-time professor at the European University Institute in Florence. "I don't see any big failures in the market that require the public sector to step in and provide a digital euro."

Taking on Facebook

The idea of a digital euro emerged a few years ago as a defensive response to Facebook's plan to launch a virtual currency, which policymakers feared could undermine control of the money supply. The US social media group's currency has largely fizzled out since then, but the ECB is pressing ahead. One of its key motivations is the declining use of cash, which has fallen from 79 per cent of all point-of-sale transactions in the eurozone in 2016 to 59 per cent last year. The proportion of people in the bloc preferring to pay with cash has fallen from 32 to 22 per cent in the past six years.

Officials say cash acts as an important

The European Central Bank is expected to announce a pilot scheme for a digital currency this year as the EU seeks new ways of promoting the euro's weight globally
FT montage/Getty/Bloomberg

stabilising force in the financial system by giving people access to a means of payment that is riskless because it is backed by the central bank. People are happy to deposit money at commercial banks in part because they know they can withdraw it as cash at any time, officials say. The digital euro is designed to preserve this role as cash usage declines.

"Digitisation of society means everyone wants to pay digitally," Panetta says. "But there is no single digital means of payment you can use everywhere in the euro area." Policymakers worry that Europe lacks its own payments champion, leaving it overly reliant on the likes of US groups such as Visa, Mastercard, PayPal or even Apple, which recently launched its own credit card.

There is also a fear that as cash usage falls, people could switch to other means of payment, including stablecoins, which are digital tokens backed by fiat currency, or digital currencies launched by other countries.

"If the sovereign doesn't offer this, then others will take its place," says Panetta. "We want to build an app that ensures you can pay with the digital euro in the same way in every part of the euro area." The ECB stresses that it sees the digital euro as a complement to cash, not a replacement. It plans to build the infrastructure and issue the tokens for the new system, but leave the day-to-day operations to commercial banks.

Consumers are likely to be offered the chance to buy digital euros through their bank, rather than direct from the ECB. The new tokens are unlikely to earn interest and may be held in a separate app provided by their bank, but otherwise they could be largely indistinguishable from regular bank deposits.

Banking executives worry that the digital euro will make bank runs more likely by acting as a safe haven into which people can transfer their money during a crisis. The European Banking Federation warns of "the potential shift of significant funds that are currently held as bank deposits to digital euro accounts/wallets".

To counter this, the ECB is considering imposing a limit on how many digital euros anyone can hold of about €3,000, or a punitive interest rate on holdings above a certain level.

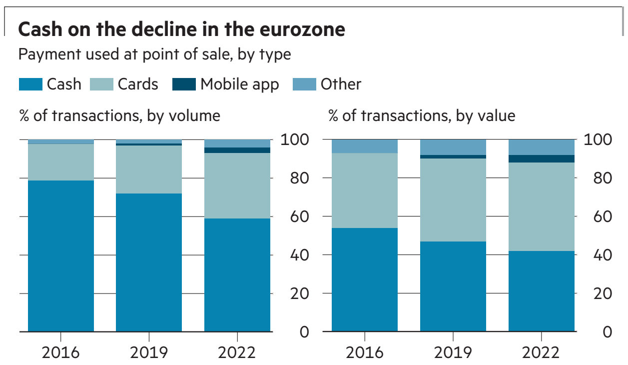
But others fear the ECB plans to add to inefficiency and complexity by creating a duplicate payments system that would only be used by the digital euro. "Parallel payments systems could tie up capital and liquidity, the new system would likely face the same pain points, and it would be expensive," says Tim Adams, chief executive of banking lobby group the Institute of International Finance.

Bankers fret about having to shoulder the costs for such a big project with little upside, especially as the ECB has said basic payments with the digital euro should be free. The EBF says "public funding should be made available to support the investments that will be required" and recommends that merchants pay fees for accepting digital euro payments.

The Eurogroup, which convenes the finance ministers of the countries that share the euro, has been debating the topic since 2021. Their discussions have been dominated by technicalities, but recently they have become increasingly conscious of the need to make a more proactive case to households. This, officials admit, is not easily done given the complexity of the arguments behind the project and the ease with which consumers already transact with mobile phones and payment cards.

Sigrid Kaag, the Dutch finance minister, told colleagues privately at a meeting in March that it was difficult to explain to citizens why a digital euro was needed, not least given the eurozone's payment system was already reliable and innovative, according to people familiar with the meeting. There was a need for politicians to get out and explain what the benefits of the currency would be, and to make them tangible, she argued.

"I accept that we may not yet have made the use case sufficiently clear for consumers," Paschal Donohoe, president of the Eurogroup, told the FT. "The value of concepts like financial stability [is] sometimes only understood in their absence . . . if a decision is made to move towards the realisation phase, more will need to be done to educate and explain to consumers."



Source: European Central Bank

Fears and concerns

The European Commission is preparing draft legislation that aims to provide the legal framework underpinning the digital euro. Among the outstanding questions are how to hardwire limits on digital euro accounts and how to address the privacy concerns dogging the concept — a point that has been heavily stressed by Kaag, among others.

Mairead McGuinness, the EU's financial services commissioner, has insisted the digital euro will not be a "big brother" project. Officials say households are already surrendering far greater privacy to private sector tech groups via the use of their mobile phones and apps. But ministers are acutely aware of the risks that the project becomes tarnished by a perception that it is a vehicle for government snooping on households' spending.

The ECB aims to address privacy fears

'We will design it in a way that means we cannot track if you have been to the bakery, or whatever'

— the main worry for more than 40 per cent of respondents to its initial consultation — by keeping users' identities separate from payment data unless criminal activity is suspected.

"We will design it in a way that means we cannot track if you have been to the bakery, or whatever," Evelien Witlox, head of the ECB's digital euro project, said on a podcast recently.

Given the proliferation of government-backed digital currencies, officials feel they have little choice but to plough ahead in the eurozone as they seek to promote the single currency's global status. Alongside a few fully live retail CBDCs, including in Nigeria, Jamaica and the Bahamas, there are pilots in 34 jurisdictions covering wholesale and retail CDBCs, according to the Bank for International Settlements.

Sweden's Riksbank has been one of the early movers in the field after starting its e-krona project in 2017. Stefan Ingves, the former governor of the central bank, says that with people gradually moving out of cash, the public sector needs to develop its own digital currency. "It has something to do with how you define yourself as a nation and how the monetary system operates in your country — this is not a technical thing."

Households do not need to buy into the central bank digital currency on a massive scale, he adds. "You just need to start somewhere."

But the decline of cash does not guarantee that consumers will embrace a digital currency. In China, the central bank has been expanding the number of pilots under way, paying more civil servants in digital renminbi for example. But take-up is still puny; the digital renminbi accounts for 0.13 per cent of currency in circulation. Part of the problem is that offerings such as Alipay and WeChat Pay are already widely used.

In Sweden, which has one the lowest levels of cash usage in the world, a government-appointed investigator concluded in March it "does not see a strong enough societal need" for an e-krona.

The main case for continuing exploratory work was a defensive one: fear that Sweden's strong links to the eurozone could lead to digital euros being used for payments rather than krona. The Riksbank was told to keep looking into it and come back with a proposal next year.

Huw van Steenis, a former Bank of England adviser now at the consultancy Oliver Wyman, says the ECB's challenge is to avoid a flop but not to create something so popular it undermines the banks. "We have just seen what a digital-paced bank run looks like," he says, referring to the collapse of SVB in the US. "We should pause for careful reflection before deciding to mint a CBDC."

Panetta says the objective is not to gain a large market share. "We don't want to become dominant or challenge the banks. If the digital euro becomes a familiar payment option among Europeans, that is fine by me." But others say tightly restricting a person's digital euro holdings undermines the currency's attractions. "It is like alcohol-free wine," says Peter Bofinger, an economics professor at the University of Würzburg. The enforced abstinence imposed on the digital euro will convince people it's not worth bothering with, he argues. "I cannot see how this will not fail."

Ultimately, whether the ECB goes ahead with a digital euro could depend on what others do. Unlike the US, which benefits from the dominant position of the dollar in international trade and reserves, the euro is in a weaker position. "For the euro area there is a risk at the margin that a dollar-based stablecoin could come to dominate cross-border payments," says Eswar Prasad, a professor of trade policy at Cornell University and author of *The Future of Money*. The euro, he says, has already lost ground in international usage to the renminbi and the dollar, and policymakers are anxious to reverse that.

Ensuring the currency is available in digital form therefore might, he argues, "be more of an imperative for Europe".

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Greece's economic revival is still a work in progress

Athens' rise from the debt crisis is laudable, but next government must build on it

In 2015 Greece was on the brink of an economic disaster. In the aftermath of the financial crisis its debt ballooned and was downgraded to "junk" status. The so-called troika of institutions — the IMF, European Commission and European Central Bank — were desperately trying to keep it afloat, and speculation mounted over its withdrawal from the eurozone. Now, it is one of the fastest growing economies in the bloc, and its central bank governor expects it to regain its investment-grade credit rating this year. The turnround should be lauded, but with Greece heading to the polls on Sunday, it is vital that the next government builds on the hard-won progress.

The foundations for the economic revival were forged by successive governments enacting austerity measures, including tax rises, public sector wage controls and changes to pensions, to meet the conditions of rescue packages. In 2018, Greece left its third and final bailout programme, and last summer it exited post-bailout monitoring. Although the pandemic led to a surge in debt, last year Greece's debt-to-GDP ratio fell by more than 20 percentage points and the government achieved a small primary budget surplus. Enhanced fiscal prudence means the spread of Greek debt over German Bunds has dropped sharply since the height of the eurozone debt crisis, to trade close to Italy's now.

Since 2019, Prime Minister Kyriakos Mitsotakis, leader of the ruling New Democracy party, has overseen a pro-business and relatively orthodox management of the economy. Foreign direct investment and exports have grown strongly. The economy is now 6.4 per cent above its pre-pandemic level.

But success achieved to date should not blind the country to the reforms needed ahead. Greece has the highest debt load in the eurozone, and the economy is about a fifth smaller than in 2008. Much of the recent improvement in its debt metrics has been driven by high inflation. Today's high cost of living has also compounded Greeks' suffering following years of austerity: the share of people at risk of poverty or social exclusion is one of the highest in the EU.

A wiretapping scandal in which the security services, overseen by Mitsotakis's nephew, spied on politicians and journalists, has tarnished the prime minister's reputation and underscored Greece's problems with the rule of law. Athens has also been accused of illegal pushbacks of refugees at its borders and of presiding over a worrying decline in media pluralism. A fatal train crash has highlighted the parlous state of some public services and infrastructure.

Sunday's election will also bring some political uncertainty. The conservative New Democracy party is not expected to get the majority of votes needed to form a government. Greece will probably go back to the polls in the summer, when ND may be forced into a coalition with the mainstream centre-left party, Pasok. Syriza, the radical left opposition party, is pushing for a more expansionary fiscal policy to address social issues; how far it would go is unclear.

> Today's high cost of living has compounded suffering following years of austerity: the share of people at risk of poverty or social exclusion is one of the highest in the EU

Whoever comes to power will need to build on the gains of the past decade. Its relatively long average debt maturity and the €30.5bn it is set to receive from the EU's Recovery and Resilience Facility by 2026 gives Greece a unique window to bolster its economy and cut debt further. Diversifying the economy beyond its reliance on tourism, driving long-term capital investment growth, and broader public service and justice reforms should be priorities.

Greece has suffered over the past decade. But its sacrifices mean it now has the opportunity to turn suffering into prosperity. It should not lose sight of that prize.

Opinion Science

Loneliness threatens health as well as happiness

Alamy

Anjana Ahuja

There is a sense of deep shame attached to being lonely. Nobody wants to be thought of as unpopular or unlikeable.

One consequence of that stigma, according to the US surgeon general Vivek Murthy, is a silent epidemic of loneliness. Murthy, now on his second stint as the nation's physician, recently admitted to feeling profoundly lonely after being dropped from the job first time around. Research suggests loneliness rivals smoking and excessive drinking in terms of damaging health and shortening lives. This is not a trivial, touchy-feely issue: an ageing population may also mean it is a growing epidemic.

Professor Andrea Wigfield, director of the Centre for Loneliness Studies at the UK's Sheffield Hallam University, points out that loneliness is different from social isolation. The latter is an objective measure of whether a person lives alone, has friends and family, and belongs to social groups. Loneliness, on the other hand, is the self-reported, subjective feeling that one's social relationships somehow fall short, in quantity or intimacy or both. It generally follows a U-shaped curve with age: high among adolescents and young adults (the group who felt most lonely during Covid-19 lockdowns), dipping in middle age and then rising again. It can be triggered by significant life events such as going to university, bereavement, retirement, moving home or becoming a carer.

> The craving for company causes psychological stress, which induces physiological effects

Murthy claims that loneliness is equivalent to smoking 15 cigarettes a day. The eye-catching analogy can be traced back to a 2010 meta-analysis of 148 separate studies encompassing more than 300,000 people. The study concluded that people with stronger social relationships showed a 50 per cent increased likelihood of survival compared to those with weaker relationships, irrespective of age, sex, underlying health, length of follow-up period and cause of death.

The same research identified loneliness as a stronger risk factor for death than physical inactivity and obesity — one comparable to smoking and excessive drinking. The condition has also been linked to a raised risk of cardiovascular disease, type 2 diabetes, rheumatoid arthritis, autoimmune disorders and cancer.

The English Longitudinal Study of Ageing points in the same unwelcome direction. The long-term Elsa study — which began in 2002 and quizzes thousands of over-50s at two-year-intervals on their health, weight, income and social activities — found that loneliness or social isolation was associated with conditions including depression, dementia, heart attacks, long-term lung disease and frailty.

Could correlation be causation? One theory is that our evolution as a social species has bequeathed a fundamental craving for human company — a hangover akin to our evolved preference for sweet, fatty foods. Left unsated, the craving causes psychological stress, which induces physiological effects such as raised levels of cortisol, the stress hormone. As Wigfield explained, loneliness seems to trigger the "flight or fight" response, which causes inflammation and increased white blood cell production (a response to inflammation). Andrew Steptoe, the University College London professor who leads Elsa, stressed in an email that "the other important pathway is through behaviour, not biology. Socially isolated and lonely people often follow less healthy lifestyles in terms of smoking, physical inactivity, and dietary choice." They may delay seeking medical help when they fall ill.

It is clear that countering loneliness is critical to improving the nation's health — and ideally before temporary setbacks harden into chronic isolation. "Some argue that the longer you experience loneliness, the more difficult it is to break out of [it]," Wigfield says. "People who are lonely can start to perceive themselves, and others' views of themselves, more negatively and misinterpret signals from others."

The UK-based organisation Campaign to End Loneliness recommends initial steps such as saying hello to a neighbour. Local hobby or interest groups, ranging from art to sport, provide like-minded interaction. Volunteering can particularly appeal to men who might shy away from receiving support themselves but are more open to helping others. Wigfield's other tips, including for young people prone to judging themselves harshly against glossy social media feeds, include meeting face-to-face and putting devices away.

The campaign group estimates that the number of over-50s experiencing loneliness in the UK will reach 2mn by 2026. We cannot end loneliness but, simply by saying hello, we can all help to banish the shame.

The writer is a science commentator

Letters

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Let Russian gas exports fund Ukraine's reconstruction

The proposal by the G7 and EU to ban Russia from exporting gas via its pipelines is a move in the right direction (Report, May 15).

However, it would apparently only apply "on routes where Moscow has cut supplies", such as the Yamal pipeline to Poland and Nord Stream 1. On this definition the Ukrainian transit route could return as a major route for Russian gas (some Russian gas still flows across that route). Moscow may choke a little on having to send most of its natural gas to the EU via Ukraine, but if it had to, it would. Moscow's incentives here to evade any ban are immense. The pipeline gas that flows to the EU comes from the western Siberian gasfields. There are no pipeline connections to China and no significant liquefied natural gas capacity either.

Moscow could continue to transit natural gas via the TurkStream 2 pipeline into south-eastern Europe. It could also send Russian natural gas via the Tanap pipeline, which runs across Turkey.

Given Russian incentives to find or build alternative pipeline routes, the partial G7/EU ban should be rethought.

One alternative, instead of having an outright ban, would be to impose a single EU buyer on all Russian pipeline exports. The buyer would impose a maximum quantity of gas that the EU would take, to minimise dependence. The buyer would also impose a maximum price, linked for instance to US Henry Hub natural gas prices.

To avoid market distortion, the buyer would auction Russian gas at market prices on EU markets. The profit would be used to fund Ukraine's reconstruction. This way we have a comprehensive control regime for Russian gas, with Moscow losing all agency. EU states would obtain some additional market liquidity, LNG importers would be given the confidence that it is safe to export to the EU and the Kremlin would find it is now having to pay for waging war.

Alan Riley
Senior Fellow, Atlantic Council,
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A bit less prediction and a bit more common sense

I believe the editorial (FT View, May 15) overstates the importance of economic forecasting. To say that in uncertain times economic forecasting is "perilous" suggests that much is staked on the accuracy of the forecasts.

Not so. Much of the public is quite aware that forecasters are frequently far off the mark. The fact that many retain their jobs despite poor performance might simply indicate that erroneous forecasts are understood to be the norm. The real "peril" in today's uncertain times concerns the confluence of several major crises — eg climate change, mental illness, pandemic risk, spiralling inequality — that will undoubtedly produce adverse economic effects. To focus on macroeconomic statistics (the "trees"), as is the forecaster's wont, misses secular trends in these far more consequential developments (the "forest").

Perhaps it is time to discard the notion that economics is a predictive science and rely more on educated common sense to help navigate the world's complexities.

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If the rules-based order is over, what comes next?

The opinion piece by Alexander Stubb, the former Finnish prime minister (May 11), raises the spectre of impending multipolarity in the global order. Pointing out the rising tendency of nations in the global south to "fence-sit" on issues such as the war in Ukraine, and for nations in the global east to strive to create their own parallel institutions to western alliances and organisations, he makes a compelling case that the "liberal rules-based order" — as those in the foreign affairs profession call it — is coming to a close.

But what comes next, and how does the US — the leading power in what came before — manage these changes and preserve its national interests?

There are a few perspectives on this. Washington's foreign policy "blob" — an establishment of officials and think-tankers that advocate primacy and US-led global hegemony — will decry this change.

They'll demand more defence spending, bigger investments in alliance expansion, and even more of the pre-emptive hostile action that we saw lead to over two decades of American forces on Iraqi soil. As the global east continues to flex its muscles, this approach creates enormous risk for increasingly unlikely rewards.

Meanwhile, foreign policy "realists" and "restrainers" will find common ground with Stubb's statement that we will need more listening and engaging than preaching and moralising. The global landscape is changing, and for the US to remain successful, secure and, perhaps most importantly, at peace with rising competitors, we'll need to treat this new world as it is, not how we wish it to be.

While those advocating detente with Russia or China are oft branded modern Neville Chamberlains, it does not change that America's global dominance is in relative decline. We must learn to change with the world, lest our efforts to keep it the same lead to our own downfall.

Robert Clarke
Director of Marketing Strategy, Foreign Policy, Stand Together
Alexandria, VA, US

Cuba's drug researchers deserve a mention too

Jamie Smyth's article "Alzheimer's drugs offer hope after decades of false dawns" (Report, May 9) mentions two drugs by US and Japanese drugmakers, reducing the build-up of sticky amyloid plaques. An equally interesting new development is coming from researchers in Cuba. NeuralCIM is the trade name for the NeuroEPO molecule, and is a drug developed at the Centre of Molecular Immunology in Havana, one of two major drug research and development organisations in Cuba.

The drug exhibits potential for treating various disorders, including Parkinson's disease, ataxias, and acute cerebral ischemia.

In February the CIM announced that phase 1-2 as well as phase 3 clinical trials will start in several clinics across Cuba to evaluate the efficacy and safety of NeuralCIM.

Edgar Goell
Senior Researcher, Institute for Futures Studies and Technology Assessment (IZT)
Berlin, Germany

Property optimists could be blindsided by politicians

Shareholders invested in housebuilding companies will have read about the British Labour party's new-build plans with some concern ("Labour set to woo voters with vow to limit foreign buyers of UK properties", Report, May 8).

Trying not to attract overseas investors is a policy that needs more than a "soundbite" to make sense.

Neither of the largest political parties — Labour or Conservative — likes to drill down to understand the consequences of their policies; the current government's fiscal and regulatory policies for buy-to-let investors over recent years have reduced supply in the rental markets, at a time when there is now increasing demand.

The Labour party also appears to make little use of data for their plans to restrict buyers of new-build homes. Perhaps a word with the mayors of Manchester and Liverpool might help them understand that off-plan buyers (rarely first-time buyers) often take the biggest risks when buying and this helps drive developer activity, which makes these cities more attractive to employers.

Housebuilders' shareholders might also have wondered whether the projections in their trading statements ("Builders on firmer footing as property fears fade", Report, May 8) should be taken at face value, or should their actions and those of the gilt market be more dependable.

If housebuilder Taylor Wimpey feels that the market is stabilising or even improving, why would it cut 450 staff; housebuilders' chief financial officers will have also seen the steady increase in swap rates in April, that have yet to be translated into higher mortgage rates.

Property fears may be diminishing, but politics and interest rates look like blindsiding those making rather optimistic projections.

Charles Fairhurst
London W8, UK

Chocks away — baby boom big spenders take to the air

I agree that much of the surge in premium travel is probably due to what your editorial calls "revenge travel" — making up for trips forgone and savings accumulated during lockdown ("Come fly first class with me", FT View, May 13).

However, I also see a lot of retired premium travellers. Whenever the topic of the funding of US social security and Medicare benefits comes up, someone points out that 10,000 American baby boomers turn 65 every day.

It appears some may be turning 65 with substantial assets.

Alice Bray
New York, NY, US

It's time investors tackled single-use plastic at source

I was encouraged to read your article about investors urging companies to tackle plastic use (Report, May 5).

Consumption is an important part of the picture but if investors really want to make a dent in the plastic pollution crisis, they need to hold plastic producers to account.

Many companies, especially those in the food and retail sector, are already committed to reducing their plastic use. It is fossil fuel companies higher upstream that are the ultimate source of the problem: just 20 petrochemical companies make more than half of all the polymer bound for single-use plastic packaging.

Minderoo's research shows that single-use plastic production is expected to grow at an alarming rate.

Investors need to actively engage to stop the building of new fossil fuel-based polymer facilities, or divest their capital. They should also demand time-bound targets for producers to use recycled feedstock rather than that generated by fossil fuels. Governments could play their part too, such as by introducing a levy on virgin plastic producers.

To reduce plastic pollution on land and sea, investors must show they have the conviction to tackle the problem at source.

Marcus Gover
Director, Minderoo Plastics Initiative
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OECD's polluter pays principle is 50 years old

In her Work & Careers column (May 15), Pilita Clark talks about the proliferation of acronyms and initialisms and the occasional confusions that can arise, such as with two "PPPs" — purchasing power parity and public-private partnership.

As a retired economist from the OECD (whoops, here we go again), I often came up against such confusions with economic concepts, this time with another well-known initialism originating from the OECD, the "polluter pays principle".

This term, which was developed, inter alia, by Michel Potier, a pioneering environmental economist who sadly passed away in January, could be confused with other PPPs but was an especially effective one.

It spelt our very clearly a simple but powerful policy message that has now lasted to great effect for 50 years since being developed at the time of the first UN Conference on the Human Environment in Stockholm in 1972.

Interestingly, if you google PPP, you will be led to a website describing more than 150 versions, but few are as useful as the self-explanatory polluter pays principle.

Andrew Dean
Paris, France

Opinion

Don’t blame the elites alone for populism

POLITICS

Janan Ganesh

Soon after Jerry Springer died last month, another sandy-haired 70-something with a Germanic name continued his work. Where Springer’s platform was daytime television, Donald Trump’s was no less than CNN. Where Springer had to coax tasteless behaviour from his guests, Trump supplied it himself. (He variously called women “nasty” and “crazy” on May 10, to cheers from a live audience.) Where Springer performed his role with a sense of ironic distance, Trump couldn’t be playing for higher stakes.

One famous old epigram is the wrong way round, then. Sometimes history appears first as farce, then as tragedy.

The mistake is to blame the broadcaster. Yes, CNN could have denied Trump a stage last week. But to what end? It wouldn’t change the underlying fact that lots of people find the man amusing. Headlines such as “What was CNN thinking?” and “Really, CNN?” imply that responsible adults are failing to stop Trump: that he is the product of negligent elites. This is always the way with analyses of the former president. Three elites in particular get the blame.

One is the media. If only Facebook and Twitter policed the misinformation on their platforms. If only Fox News developed a conscience. If only journalists fact-checked Trump. (Oh, how the CNN anchor Kaitlan Collins tried.)

Another is the Republican party itself. If only congressional leaders such as Kevin McCarthy and Mitch McConnell stood up to Trump. If only his rival Ron DeSantis attacked him directly instead of obliquely. If only the Republicans hadn’t indulged the Tea Party, Newt Gingrich and other forerunners of Trumpist politics.

Yet a third culprit is “neoliberalism” and its enthusiasts. If only their policies hadn’t beggared the industrial heartlands. If only jobs hadn’t been offshored to China. If only unions hadn’t been left to wither.

> A large minority of the public needs no manipulation to vote against the establishment

In all three cases, there is some veneer of truth. But in all three cases, little choice or power is attributed to voters.

The elites are always accused of holding the general public in contempt. This gets it exactly wrong. The elites will go through great intellectual contortions to avoid blaming the public for the state of politics. It is themselves they find at fault, whether for inventing social media and failing to regulate it, or for allowing Trump to take over an institution as august as the GOP, or for letting the market rip. On the surface, this all sounds like humility and contrition. In fact, it is its own kind of arrogance.

The premise, after all, is that everything in the world is a result of what is done, or not done, by elites. It treats the “people” as an inert blob with no agency of their own. In exonerating them, it infantilises them.

A more honest account of events would go like this. A large minority of the public needs no manipulation to vote for populism. While some have obvious grievances, not all do. (I am waiting to hear from economic determinists why lots of prosperous people voted for Trump and why, in the UK, the home counties voted for Brexit.) Yes, there is such a thing as elite mismanagement, and it can explain why a voter might, with a heavy heart, try a radical alternative. It cannot explain why someone might giggle as an accuser of sexual assault is called a “whack job” by a former president. No, that is a straightforward case of civic irresponsibility. Or nihilism.

Blaming the elites alone is soothing because it offers the illusion of control. If the cause of populism is top-down, the solution must be too. It is just a question of finding and applying a technocratic fix. The alternative interpretation, that modern politics is more like a team sport than anything rational, and that Trump is one team’s beloved “captain”, commanding unqualified fealty for as long as he is around, is much scarier. It suggests a problem with the *demos* itself: one that exists before, outside and above the doings of the governing class.

Why, if neoliberalism is the cause of demagoguery, did Joseph McCarthy flourish in the statist, egalitarian 1950s? If eminent Republicans were to find courage and oppose Trump (as plenty did in 2016), how would that stop the rank-and-file backing him in the primaries anyway?

As for the media, what if it does more to uncover populist sentiment in a country than to create it? A generation ago, it was talk radio that was held to be the radicaliser of millions. That moral panic treated the audience as helpless children. So do the recriminations against CNN. At some point, the demand for fake news will get as much scrutiny as the precise means of supply.

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US debt ceiling is a theatre of the absurd

Martin Wolf Economics

The only reason a default is conceivable is the depth of disagreement in the country

How is one to assess the possibility of a voluntary default by the world’s most important country? Is something as mad as this really likely to happen? What might be the consequences if it did? These questions are impossible to answer. This is not because it is a “black swan” — that is, unimaginable. A US default falls instead into a broad category of “known unknowns”, that is unforecastable, high-impact events. The financial crisis of 2007-09, the pandemic and Russia’s invasion of Ukraine were of this kind.

Such events are impossible to predict because of their rarity and the complexity of their causes. We do not know enough to predict when and in what form the next pandemic will emerge, when and where someone will start a war or if US politicians will destroy the credit built up by their country over centuries. Yet we know that such shocks do happen. They are a part of our reality.

So, what of this specific threat? It is not normal for a country to have a legislated budget and a separate authorisation for the debt that this budget entails. For the US, this was a product of the needs of war: prior to 1917, Congress had to authorise each individual loan. Up to now, the US debt ceiling has always been raised when needed. That has apparently happened some 90 times.

Sensible people would conclude the ceiling is a nonsense. But it is not an irrelevance. Increasingly, the Republicans regard the ceiling as leverage over spending but not, it must be stressed, over deficits caused by tax cuts. They were happy with the latter under George W Bush and Donald Trump. Thus, as an “explainer” from the Brookings Institution notes: “Over the last three decades, the limit has precipitated political battles during which some legislators have used the vote on the debt ceiling to try to slow the growth of federal spending.” This happened under Barack Obama in 2011 and under Joe Biden in 2021, before the debt ceiling was lifted to $31.4tn, where it is now. The need to lift it once again has become very urgent because the federal government might run out of cash in June. (See charts.)

Could default happen? The answer is “yes”. One reason is that the parties are vastly apart. The Republicans’ proposals would impose a 47 per cent cut in total real non-military, discretionary spending between 2024 and 2033. This is a huge gap to bridge, even if the mood music may be improving. The other reason is that key participants might feel that they lack an incentive to compromise. The Republicans are very fractious, some have extremely radical views and many seem to feel that even an economic disaster would hurt only the administration. Meanwhile, Democrats might feel that caving in on spending is too painful. In games of chicken such as this, collisions do happen.

Some hope that this can still be managed, at least for a while. The 2011 plan would have involved sustaining payments of interest and principal, but delaying payment to agencies, contractors, social security beneficiaries and Medicare providers. More radical proposals involve a trillion-dollar platinum coin or resort to the 14th amendment, which states: “The validity of the public debt of the United States, authorised by law . . . shall not be questioned.” With today’s Supreme Court, one must doubt whether this would work.

Think of all the people, institutions and countries that hold Treasuries as the world’s safest and most liquid assets.

> Democrats might feel that caving in is too painful. In games of chicken such as this, collisions do happen

Even a short interruption in payments could be devastating to confidence, not just in Treasuries, but in capital markets. The possibility of a default may be disregarded as unreal. The experience of one would surely be all too real.

Beyond that, it would be a huge shock to trust in the US. Michael Strain of the conservative American Enterprise Institute asserts that, “Foreign leaders and global investors would look at the US and see a damning portrait. In this broken system, many elected officials do not respect the results of a presidential election and permit policy and ideological differences to stand in the way of honouring the government’s financial obligations. Investors would think harder about allocating capital to US entities, and America’s role as a beacon of liberal values — including free markets — would be severely undermined.” Quite simply, they would conclude that lunatics had taken over the asylum.

Even if the worst is avoided this time, repeated plays of this game of chicken make it cumulatively more likely that the crash will indeed happen. Glenn Hubbard, former head of the Council of Economic Advisers for Bush has made reasonable suggestions. What is needed is indeed a long-term solution, in which debt ceiling theatrics are replaced by coherent long-term budgeting. The current trajectory of US debt makes such proposals necessary.

Yet, against this is the fact that efforts by Democratic presidents, such as Bill Clinton and Obama, to lower prospective deficits have merely allowed Republicans to slash taxes when they returned to power. Given this, will there be the political will to put the needs of the country above partisan advantage? Nor is this an equal failure. The Republicans are heavily to blame. They are using threats of default to achieve cuts in spending and taxes, rather than in deficits, for which they have been unable to secure decisive electoral victories.

In the end, “It is the politics, stupid”. The only reason why a default is conceivable is the depth of disagreement in the country and so in Congress. If the US were less divided, the debt ceiling would not matter. In today’s divided US, it does. So long as these divisions continue, so will the threat of a default. Even if a temporary agreement is reached, the threat is likely to return soon.

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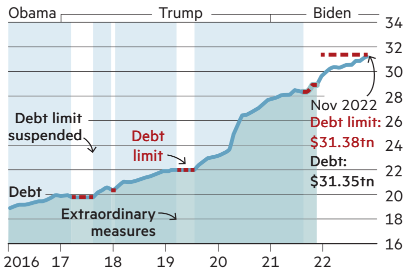
Debt ceiling crises have failed to halt the rise in US indebtedness

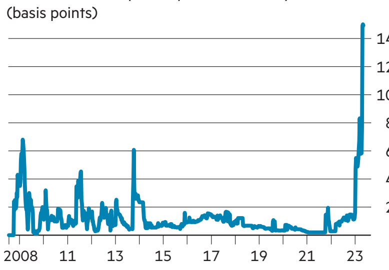
$tn



Source: US Treasury Monthly Statement of the Public Debt

Market prices of the riskiness of US debt have started to soar

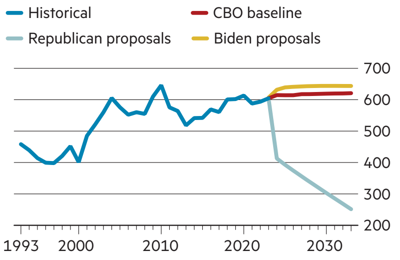
Credit default swap on 1-year US Treasury note (basis points)



Source: Refinitiv

Republicans hope to take an axe to federal discretionary spending

Non-military discretionary funding (constant 2022 $bn)



Sources: Steve Rattner; CBO; OMB; CAP

Russia’s economic war with the west moves to a new frontline

Alexandra Prokopenko

Russia’s economic confrontation with the west following the Kremlin’s invasion of Ukraine is entering a dangerous new stage. Until now, Moscow had mostly focused its retaliatory measures on squeezing European energy markets. But after a string of court decisions in Europe freezing Russian assets there, the Kremlin has begun escalation and created a legal framework for the temporary nationalisation of foreign assets in the country.

Projects that have cost billions of dollars and taken years of hard work are at stake, and it is likely the Russian government will exercise a personalised approach to every foreign stakeholder, trying to stoke new divisions in the west while benefiting interest groups inside Russia. The first victims of the new policy — the Russian assets of two European energy firms, Finland’s Fortum and Germany’s Uniper — were recently put under provisional management by a decree of Vladimir Putin.

The Kremlin’s actions appear to have been triggered by the federal administrative court in Leipzig, which dismissed a claim by Rosneft, a state-owned Russian oil company headed by Igor Sechin, a longstanding Putin ally. Rosneft’s claim was against the German government and its decision in September to put the company’s assets in Germany under the supervision of the national energy regulator. Before that step, Rosneft was the third-largest oil refining company in Germany, accounting for more than 12 per cent of the country’s processing capacity.

Germany’s action stemmed from some of the unintended consequences of western sanctions. Rosneft’s refinery at Schwedt in north-eastern Germany is important to the economy of the greater Berlin area but, with its majority owner under sanctions as a shareholder, it couldn’t function properly: transactions involving sanctioned entities are illegal and there was a risk of capital withdrawal.

> In Moscow, actions by European authorities are increasingly viewed as daylight robbery

In Moscow, such actions by European authorities are increasingly viewed as nothing short of daylight robbery, and the hard men in the Kremlin won’t simply sit back and watch. The new exit rules for western companies set up last month are just another part of Russia’s retaliation strategy: western firms can only sell their stakes in projects with Russian partners at a 50 per cent discount, and also must pay a “voluntary donation” to Russia’s war chest worth 5 to 10 per cent of the asset’s value.

Apart from the technocrats in the Russian government who still care about the legality of Moscow’s actions, the major driving force behind the mounting nationalisation campaign are the *siloviki* — that is to say, individuals with a security service, police or military background. These include people in the FSB, the prosecutor’s office and Sechin, who can be described as the conservative leader of the Kremlin’s *siloviki* faction and who is clearly dissatisfied with the Leipzig court’s ruling.

Putin’s decree gives the federal property management agency the right to control western assets hit by the need to stop operations in Russia. The agency’s task is to evaluate these assets and then to sell them to Russian buyers. In other words, the recent actions against Fortum and Uniper’s assets are simply a taste of things to come.

With its new legal mechanism, it’s unlikely that the Kremlin will employ a uniform approach to foreign investors. Instead, it will cut separate deals with investors depending on their connections in Russia. A good example is Putin’s permission for Novatek, a privately owned Russian gas producer with good connections in the Kremlin, to pay Shell more than $1bn for its stake in the Sakhalin-2 oil and gasfield. This approach provides an opportunity for the Kremlin to drive new wedges between states and companies in the west.

As a result, western companies may find themselves in limbo. In the west, they are under public pressure to sever ties with Russia, but sanctions forbid them from selling their stakes to the majority of Russian businesses. Meanwhile, complying with the requirements of the Russian government may lead to them being branded enablers of Putin’s war. Consequently, a growing number of such companies look increasingly likely to lose their investments in Russia entirely.

So far, neither Russia nor Europe has a comprehensive strategy on how to deal with the stranded assets. The breakdown of ties will almost certainly exacerbate the conflict as the Kremlin seeks ways to punish Europe for imposing sanctions and supporting Ukraine. The appetite of Putin’s cronies to seize western assets in Russia will only add insult to injury.

The writer is a non-resident scholar at Carnegie Russia Eurasia Center

HORIZONS NEVER END

LOUIS VUITTON